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## **ABSTRACT**

To date, no in-depth analysis has been made of the diplomatic relations that existed between the Republic of South Africa (RSA) and the Republic of China on Taiwan (ROC) from 1976 to 1997. Current scholarly works on relations between the two countries tend to oversimplify the forces that drew the two countries into close association during the said period, and presume that ROC–RSA bilateral relations were merely the result of the mutual pariah status of both states. In addition, several common misconceptions regarding the nature of ROC–RSA relations are recurrent in the existing research. This thesis, therefore, examines the development of ROC–RSA relations and interactions from the eve of the ROC government’s relocation to Taiwan in 1948 to the severance of ROC–RSA diplomatic relations in 1998 against the background of the overall historical circumstances of both countries. This study argues that the factors in the formation of ROC–RSA ties are manifold and a result of the convergence of anti-communist ideologies and common interests. Pariah status and international ostracism are only part of the array of complex factors. Efforts are made to investigate the historical conditions, foreign policy objectives and national interests that helped cement diplomatic relations, as well as the extent of co-operation in the complete spectrum of ROC–RSA relations, including economic and cultural relations, and military and nuclear collaborations. These various aspects are explored in order to give a fuller picture of ROC–RSA ties, and the effectiveness and limitations of these relations are analysed. Furthermore, the causes that led to South Africa’s switch of diplomatic recognition to the People’s Republic of China (PRC) and the prospects of future relations between the ROC and the RSA are also studied.

## **SAMEVATTING**

Tot dusver is geen grondige analise van die diplomatiek verhoudinge tussen die Republiek van Suid-Afrika (RSA) en die Republiek van China op Taiwan (ROC) vir die tydperk 1976 tot 1997 gedoen nie. Akademiese werke hieroor is geneig om die kragte



wat die twee lande gedurende die betrokke tydperk in 'n noue verbintenis saamgesnoer het, te ooreenvoudig. Daar word veronderstel dat ROC–RSA-verhoudinge bloot die gevolg van hulle paria-status was. Daarbenewens kom verskeie algemene wanopvattinge, oor die aard van ROC–RSA-verhoudinge, herhaaldelik in bestaande navorsing voor. Hierdie proefskrif beoordeel gevolglik die ontwikkeling van ROC–RSA-verhoudinge en interaksie, sedert die hervestiging van die ROC-regering op Taiwan in 1948 tot met die beëindiging van diplomatieke verhoudinge tussen die twee state in 1998, teen die omvattende historiese agtergrond van die onderskeie lande. Hierdie studie voer aan dat die faktore in die totstandkoming van die ROC–RSA-bande veelvuldig is; en dat dit die gevolg van 'n gemeenskaplike anti-kommunistiese ideologie en belange is. Die paria-status en internasionale isolasie was slegs 'n deel van die komplekse faktore. Pogings is aangewend om die historiese omstandighede, buitelandse beleidsdoelstellings en nasionale belange wat daartoe bygedra het om sowel die diplomatieke betrekkinge as die omvang van samewerking in die volle spektrum van ROC–RSA-verhoudinge, insluitende ekonomiese en kulturele verhoudinge en militêre en kernsamewerking, in berekening te bring. Hierdie verskillende aspekte is nagegaan ten einde 'n meer volledige beeld van ROC–RSA-bande te gee. Die doeltreffendheid en beperkinge van hierdie verhoudinge is ook ontleed. Verder is die oorsake vir Suid-Afrika se sluiting van diplomatieke betrekkinge met die Volksrepubliek van China (PRC) ondersoek, sowel as die vooruitsig vir toekomstige verhoudinge tussen die ROC en die RSA.

**KEYWORDS:**

Reluctant relations; pariah status; diplomatic isolation; apartheid; complementary economic/trade relations; convergence of common interests; national interests; nuclear energy co-operation; ROC–RSA defence industry co-operation; limitations of alignment; Government of National Unity (GNU); development aid; “cheque-book” diplomacy; “Two Chinas” dilemma; “One China” policy; pragmatic diplomacy; substantive relations; mechanism of mutual consultation.

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Song-huann (Gary) Lin  
May 2001

## DECLARATION

I declare that The Relations between the Republic of China and the Republic of South Africa, 1948-1998 is my own work and that all the sources that I have used and quoted have been acknowledged by means of complete references.

\_\_\_\_\_  
Song-huann (Gary) Lin

\_\_\_\_\_  
Date

## ABBREVIATIONS

ADB	African Development Bank
AEB	Atomic Energy Board
AEC	Atomic Energy Corporation/Council
AGOA	Africa Growth and Opportunity Act
ANC	African National Congress
APEC	Asian-Pacific Economic Council
ARMSCOR	Armaments Corporation of the RSA
CCP	Chinese Communist Party
CETRA	China External Trade Development Council
CIA	Central Intelligence Agency
CIST	Chungshan Institute of Science and Technology
COSATU	Congress of South African Trade Unions
CSIR	Council for Scientific and Industrial Research
DFA	Department of Foreign Affairs
DP	Democratic Party
DPP	Democratic Progressive Party
DTI	Department of Trade and Industry
EPZ	Export Processing Zone
ESKOM	Electricity Supply Commission
EU	European Union
FDI	Foreign Direct Investment
FF	Freedom Front
GATT	General Agreement on Trade and Tariffs
GNU	Government of National Unity
HEU	Highly Enriched Uranium
IAEA	International Atomic Energy Agency
IDC	Industrial Development Corporation
IFP	Inkatha Freedom Party
INTERPOL	International Criminal Police Organisation

ISCOR	South African Iron and Steel Corporation
ITRI	Industrial Technology Research Institute
KMI	KwaZulu-Natal Marketing Initiative
KMT	Kuomintang (Nationalist Party)
LNLA	Lesotho National Liberation Army
MK	Umkhonto we Sizwe
MOEA	Ministry of Economic Affairs
MOFA	Ministry of Foreign Affairs
MPLA	Movimento Popular de Liberacao de Angola
NEC	National Executive Committee
NCS	National Calibration Service
NIC	New Industrialising Countries
NP	National Party
NPT	Nuclear Non-proliferation Treaty
NSC	National Science Council
NT	New Taiwan Dollar
NUFCOR	Nuclear Fuels Corporation
OUA	Organisation of African Unity
OPEC	Organisation of Petroleum Exporting Countries
PAC	Pan Africanist Congress
PLA	People's Liberation Army
PRC	People's Republic of China
RDP	Reconstruction and Development Programme
ROC	Republic of China
ROCSA	ROC–South Africa Economic Council
RSA	Republic of South Africa
SACP	South African Communist Party
SACTWU	South African Clothing and Textile Workers Union
SADC	Southern African Development Community
SADF	South African Defence Force
SAFTO	South African Foreign Trade Organisation



SANDF	South African National Defence Force
SAPA	South African Press Association
SAROC	South Africa–ROC Chamber of Economic Relations
SMME	Small, medium and micro enterprises
SWAPO	South West Africa People's Organisation
TWTC	Taipei World Trade Centre
UANC	United African National Council
UK	United Kingdom
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNESCO	United Nations Education, Scientific and Cultural Organisation
UNITA	Uniao Nacional para a Independencia Total de Angola
USA	United States of America
USSR	Union of Soviet Socialist Republics
VOC	Vereenigde Nederlandsche Oost Indische Compagnie
VTC	Vocational Training Centre
WTO	World Trade Organisation
ZAPU	Zimbabwe African People's Union
ZANU	Zimbabwe African National Union

# THE RELATIONS BETWEEN THE REPUBLIC OF CHINA AND THE REPUBLIC OF SOUTH AFRICA, 1948-1998

## CHAPTER I

### INTRODUCTION

#### 1.1 AN OVERVIEW OF THE HISTORIOGRAPHY

Due to the complexity of the Republic of China's (ROC) history and its relations with the Republic of South Africa (RSA), the secretive nature of ROC–RSA military and nuclear co-operation programmes, and the difficulty in obtaining official documents, to date no detailed account of the many-faceted co-operative relations between the ROC and the RSA during 1976-1998 has been published in Chinese. Nor has any in-depth study or historical publication ever been produced from South Africa's official records and governmental archives in English.<sup>1</sup> The existing relevant published and unpublished academic works in English and Afrikaans either focus on the progression and prospects of the general ROC–RSA bilateral relations, or on the pariah politik, foreign policy and economic relations of the two countries.<sup>2</sup> The historical conditions, the evolution and overall implementation, as well as the impact of ROC–RSA alignment, especially in the aspects of military and nuclear collaborations during the 1980s, have not been extensively examined.

Generally speaking, the historical interactions between the ROC and the RSA, and the development of the various dimensions of ROC–RSA bilateral relations, have been largely neglected, not only in the West and in South Africa, but also in the ROC itself. This is despite the fact that the ROC and the RSA share the similar historical experience of Dutch colonial rule. For nearly four decades, from 1624 to 1662, the Dutch occupied Taiwan. In fact, Jan Anthoniszoon van Riebeeck, the first Dutch Commander of the Cape, visited the castle Zeelandia in the southern part of Taiwan

(formerly called Formosa) in 1642 when he was a junior merchant of the Dutch East India Company (Vereenigde Nederlandsche Oost Indische Compagnie, VOC).<sup>3</sup>

The reasons for South African historians' and academics' lack of interest in exploring the RSA's historical relations with the ROC are not difficult to understand. This disinterest and the scarcity of published works concerning the development of ROC–RSA relations can be attributed to the following five factors. Firstly, compared to mainland China and other major countries, the ROC is relatively small and unimportant. The second contributing factor is the great cultural divide and geographic distance between the two countries, as well as the absence of a sizeable number of Chinese immigrants in South Africa.<sup>4</sup> Thirdly, before the emergence of the new South Africa in 1994, the RSA was basically a Western-orientated society and its academic, cultural and political focus was on the West and peripheral southern African issues. Fourthly, this situation is partly due to the racial attitudes of white South Africans, their lack of a “sense of adventure” and the previous policy of long-time segregation.<sup>5</sup> The fifth factor is the difficulty of an equable data collection of both South African and Chinese research materials. The ROC's scholars are mostly only proficient in Chinese, and would find it difficult to pursue academic research in English or Afrikaans. The converse is also true. It would be an arduous task for Western or South African academics to pursue this subject without a basic knowledge of the Chinese language, and an understanding of Taiwan's history and present circumstances.

Due to the above factors, very few studies in the field of ROC–RSA relations have been undertaken. If we look at the studies and research work available on this aspect, most either deal with one of the following: the RSA's apartheid-imposed international isolation; the People's Republic of China's (PRC) foreign relations with Africa; the close ties between the pariah states and the nature and extent of the enforced isolation of the various pariah states such as Taiwan, Chile, Israel and South Africa; or the debate about “South Africa and the two Chinas” dilemma.<sup>6</sup> These four categories do not, however, cover the various aspects the present thesis intends to address.

In the first category of studies, there are numerous books, articles and scholastic works on South Africa's foreign relations, pariah status, the historical development and impact of apartheid, international sanctions, boycotts and both governmental and non-governmental disinvestment. There are also works that focus on the activities of the South African liberation movements and international organisations.<sup>7</sup>

In the second category of works, a large number of books, dissertations, articles and other studies have appeared. These pertain largely to the PRC's ideology, revolution, domestic politics, support of liberation movements, foreign policy and other aspects of the whole spectrum of Sino-African relations. These have been produced by African, Western and Chinese scholars, either in English or Chinese, and are too numerous to cite in full in this introduction. However, these academic works mainly concentrate on the PRC and its relations with Africa, not on relations between the ROC and the RSA.<sup>8</sup>

In the third category of publications, a number of distinguished scholars, both in South Africa and overseas have researched certain aspects of ROC–RSA bilateral relations, and a few scholarly works have been published. The articles and books published by academics such as Peter Vale, Deon Geldenhuys, Koos van Wyk and Robert E. Harkavy fall into this category.<sup>9</sup> However, they generally focus on specific dimensions, so that the full extent of ROC–RSA interactions has not been investigated by these scholars.

In this third category of works, Deon Geldenhuys has made a particularly significant contribution and has published two books and one essay on ROC–RSA relations.<sup>10</sup> However, Geldenhuys' work focuses mainly on the RSA's diplomacy of isolation and the respective pariah status of the RSA and the ROC. Herein, he places special emphasis on the detailed comparison of the international ostracism experienced by the four pariah states, namely the ROC, the RSA, Chile and Israel during the period 1949 to 1988. His work is concerned with foreign relations, rather than with history. However, Geldenhuys has made a worthy contribution by devising a set of indicators to gauge the causes and extent of the isolation of the said four countries. There is no denying that through his

comparative analysis, his work has given us a better understanding of the ostracised countries' isolation in political/diplomatic, economic, military and socio-cultural terms.<sup>11</sup> In addition, Geldenhuys' article also provides an enlightening review of the political background and possible reasons for former president Nelson Mandela's volte-face on the RSA's China policy.<sup>12</sup> Nevertheless, Geldenhuys' works do not explore the history of the formation of the ROC–RSA close links, basic differences and commonalities between the two, or interactions and co-operations between the ROC and the RSA. Nor does he consider the effects of pressure from the PRC or the inevitable parting of ways of the ROC–RSA partnership and the subsequent adoption of interest-driven substantive and pragmatic diplomacy by the ROC and the RSA after the change of relations in January 1998. This important development awaits further scholarly research.<sup>13</sup>

As for the fourth category, apart from the above-mentioned studies, there are also a few articles, theses and papers that have partial relevance to this study. Some works analyse the ROC's economic investments in South Africa and ROC–RSA trade relations; some focus on the three options available to the RSA to deal with its post-1994 relations with the ROC; while others analyse the triangular relationship between the RSA, the PRC and the ROC, and the ROC's pragmatic diplomacy.<sup>14</sup>

Regarding the ROC's investments in South Africa, John Pickles and Jeff Woods made a relatively biased assessment of Taiwanese investments in the RSA's former "homelands" areas.<sup>15</sup> They approached the subject from a predominantly Western viewpoint and the stance of the black trade unions. The authors omitted reference to Taiwanese investments in other parts of the RSA, including the metropolitan areas. According to the findings of this particular article, the RSA government's decentralisation policy – while initially appearing beneficial to both the RSA and the ROC – was not only detrimental to the black workforce and increasingly costly to the South African government, but also "entrench[ed] the territorial structure of apartheid and raises yet further questions about post-apartheid democratic industrial and urban policies."<sup>16</sup> The allegations made by Pickles and Woods became the common belief of

the African National Congress (ANC) elite, the South African Clothing and Textile Workers Union (SACTWU) and even the Congress of South African Trade Unions (COSATU).<sup>17</sup> It created a negative attitude on the part of black leaders towards the ROC, when they were faced with the question of whether or not the RSA should retain its relations with the ROC. The allegations made by Pickles and Woods are considerably one-sided. Their article failed to include the Taiwanese viewpoint or include reference to Taiwanese documents, which would have made the article more balanced and objective.

With regard to ROC–RSA trade relations and bilateral ties, although there are a few articles which touch on the issue of trade and diplomatic relations between the ROC and the RSA, none overlap with the focus of this thesis. Among these articles, Geldenhuys and Alden briefly analyse the development of ROC–RSA diplomatic relations and the RSA’s switching of diplomatic recognition from the ROC to the PRC.<sup>18</sup> In addition to these articles, the other partially related research works which have been completed are Peter Leonard Copping’s unpublished MBA thesis entitled “South Africa–Republic of China Trade Barriers and Export Incentives”<sup>19</sup> and Martyn J. Davies’ MA thesis entitled “South Africa’s Relations with the PRC and the ROC, 1949-1995: the Question of Diplomatic Recognition” and his working paper entitled “South Africa and Taiwan: Managing the Post-Diplomatic Relationship.”<sup>20</sup> Copping’s thesis analyses the ROC’s foreign trade policy, trade and investment opportunities between the RSA and the ROC, and how to conduct business with Taiwan. Davies’ thesis traces the general triangular relationship between the RSA, the PRC and the ROC, with special appraisal on the issue of the recognition of the PRC. Davies gives only minimal attention to the various ROC–RSA co-operation programmes and his thesis does not shed light on the nature of the mysterious nuclear and military collaborations between the two countries. Nor does he analyse the underlying historical factors of the formation of the special relationship between the ROC and the RSA during the 1980s, or the turn of the tide in the 1990s.<sup>21</sup>

On the issue of the implications of the “Two Chinas” and the RSA’s China policy, many scholars, politicians and officials have presented papers or published articles in journals or newspapers regarding South Africa’s handling of the “Two Chinas” dilemma. These include Raymond Suttner, John Barratt, Greg Mills, Richard L. Grant, Temba Sono, Marthinus Havenga, John Daniel, Lee Lai To, Marie Muller, Adrian Gueke, Deon Geldenhuys, Jeff Radebe, WJ Breytenbach and Nitesh Dullabh,<sup>22</sup> as well as Garth Shelton, Chris Alden, Garth le Pere and Antoni van Nieuwkerk.<sup>23</sup> These works mostly present general descriptions of the RSA’s relations with the ROC and the PRC, and weigh up the RSA’s options in the conduct of its China policy. The debate that ensued on this issue was so intense that two separate symposiums were held. The first was held on August 26<sup>th</sup>, 1995 at the University of South Africa, and the second took place on August 30<sup>th</sup>, 1995 at Jan Smuts House in Johannesburg.<sup>24</sup> These two symposiums heralded the arrival of a new era in ROC–RSA relations. The papers, essays and articles published by international analysts and experts on foreign relations pertaining to South Africa’s “Two Chinas” dilemma are largely contentious opinions on the issue of the three options available, namely whether to recognise the PRC, or to recognise the ROC or to take a middle position to adopt dual recognition of both. These articles may have proved of some value for the South African government, general public and certain foreign policy makers to understand the RSA’s relations with the “Two Chinas”, especially at a time when South Africa was trying to readjust its relations with the ROC and had opted for diplomatic relations with the PRC. However, these papers did relatively little to examine the evolution of ROC–RSA relations as a whole within the complex issue of the “Two Chinas”. Considering this incompleteness there is a definite need to fill this void in terms of the historical development of ROC–RSA relations.

Having reviewed all the published works and research in this field, it is not difficult to appreciate that several shortcomings in the existing published works, literature and research have justified the need for the author to pursue the present research project. There are five major areas and aspects that require attention:

1. The overall historical development of ROC–RSA relations and the interactions of these two countries during the period 1948-1998.

2. The problem that many of the published works on ROC–RSA relations tend to be relatively biased and oversimplified, lacking objectivity, balanced appraisal and historical insight. The one-sided aversion to Taiwanese investments in South Africa does not necessarily mean that the authors are pro-COSATU or pro-South African Communist Party (SACP), or too close to the ANC. The weaknesses in these articles arise because their findings are primarily based on research by South African sources or Western data. This data is available in English, and the studies exclude Taiwanese official documents as they are in Chinese, although these would help to balance the research. The general oversimplification of most scholars and international relations experts on ROC–RSA relations during the period of their isolation is, to a certain extent, also a result of their inability to obtain Taiwanese information and official documentation. Moreover, the constraints of the language barrier makes it difficult for Western scholars to interpret Taiwanese research materials written in Chinese.
3. It is necessary to address the number of common misconceptions which have been created in studies of ROC–RSA relations, pertaining to the causes, factors and nature of co-operation between the two countries. Many scholars found it convenient to argue by analogy that the close relationship between the RSA and the ROC arose simply “resulting from a shared isolation during the apartheid years.”<sup>25</sup> Willie Breytenbach gives the same rationalisation: “Previously, South Africa was one of the four most isolated Western-orientated states worldwide – the others were Chile, Israel and Taiwan. As a result of their isolation, some of these pariahs developed close ties with one another, often in fields as controversial as military and even nuclear co-operation.”<sup>26</sup> Robert E. Harkavy also expounds a similar analogy to the “pariahtude” and “isolation” of the pariah states.<sup>27</sup> Even Geldenhuys alludes to the collaboration of the isolated states within the context of international ostracism, rather than the complementary need of economy and trade, as he reasons that “an isolated country may seek to strengthen ties with others in the same predicament and [try to] acquire nuclear weapons, among other things” so as to “confront its isolation head-on.”<sup>28</sup>



4. It will be argued that the factors in the formation of ROC–RSA ties are manifold. Pariah status and international ostracism are only part of the array of complex factors. In the final analysis, contrary to common belief, one of the most important reasons for the cordial ROC–RSA association is the economic/trade factor. It should be noted that from 1970 onwards, the ROC, just like other Pacific Rim countries such as South Korea and Japan, had already developed export-orientated industrialisation. Therefore the ROC needed to export electronics, textiles, electric appliances and automobile parts to South Africa, and to import coal, uranium, gold and other mineral ores from the RSA. Consequently, basic economic requirements drew the two isolated states together.<sup>29</sup> Nevertheless, scholars tend to overlook these important economic factors as well as the factors of national security and the RSA's strategy of utilising Taiwan "as a bridgehead for Pretoria to expand its contact and collect information about the Far East."<sup>30</sup> The possible reason for this is that at the time, the ROC was the only East Asian country which had full diplomatic ties with the RSA before the normalisation of South Africa's foreign relations in the international community.<sup>31</sup>
5. Related to the afore-said misconceptions, many published works have also created a myth regarding the alignment of the ROC and the RSA. This myth is centred around two contending schools of thought. In the first, some observers presume that the ROC and the RSA had secret nuclear and military co-operation, and that they intended to form an alliance together with other outcast countries, such as Israel and Paraguay.<sup>32</sup> It is alleged that the ROC and the RSA aligned with each other to counter their domestic and external isolation without any divergence.<sup>33</sup> The second school of thought, as advocated by Harkavy, believes that there are severe limitations to "pariah states" alliances' and that they are generally flawed and problematic.<sup>34</sup> These two schools of thought offer opposing views, and thus far this question has never been fully investigated.

## **1.2 AIM AND SCOPE OF THE STUDY**

From the above evaluation, we can conclude that until recently, there are many questions that remain unanswered. The reasons for the close linkage between the ROC and the RSA are far too complex to be simplified into a single explanation. To date, no work can lay claim to being a comprehensive account of the development of ROC–RSA relations.

As the ROC–RSA diplomatic ties drew to a close at the end of 1997, it is timely for the author, in his capacity as a witness to the events as well as a senior ROC diplomat, who was personally involved with the implementation of ROC diplomacy in the RSA for two decades (1981-2001), to present a more comprehensive study on this subject. This position will allow for the presentation of an insider's account of the related events, the evolution of the historical process, its achievements and setbacks, and its benefits and costs during the period 1948-1998. By doing so, this study hopes to present a fuller understanding of the wider range of causes and the forces of history that compelled the two countries to band together, as well as their eventual parting of ways. An endeavour is also made to understand the operations and reactions of both countries and the reasons for the relevant successes and failures of the co-operation of these isolated states during a time-span of just under half a century.

The main purpose of this thesis is, therefore, to give a full account of the historical development of ROC–RSA ties and the nature of the bilateral relations in the years 1948-1998. An attempt is made to examine how these ties developed over time and to present a comprehensive analysis of ROC–RSA bilateral links. The origins of isolation, the historical forces in action, the decline of the diplomatic situation, the respective diplomacy, domestic and foreign policies, inter-state relations, the formation of alignments, the divergence of national interests and strategies, countermeasures to break out of isolation, the limits of alignments, the successes and failures, and the benefits and costs of inter-pariah alliances, will also be explored. In addition, efforts are made to trace the roots of the political and social problems, to compare the historical

process of the economic developments of the two countries, as well as the impact and effect of the change in South Africa's domestic policies on ROC–RSA relations. With the aim of presenting the historical process and evolution of the ROC–RSA association from a relatively wider view, the ROC official records and an insider's account of the various myths will be furnished and combined with South African documents and sources, so as to transcend the trap of a partial and patriotic narrative of historical events.<sup>35</sup>

The time-span of this study covers the fifty year period of 1948 to 1998, and the scope of the research is confined to the historical events pertaining to the ROC and South Africa. The then independent “homelands” are treated as a part of the RSA, not as internationally recognised independent states.<sup>36</sup> The relations with Mainland China, which is under the effective jurisdiction of the PRC government, is excluded from the scope of the present work.

The study is limited to the period 1948 to 1998 because these years were historical turning points for both the ROC and the RSA in terms of their respective internal development and foreign relations. In the RSA, 1948 heralded the election victory of the National Party (NP) and the beginning of the colossal social and political engineering of apartheid policies.<sup>37</sup> The gradual implementation of the morally indefensible and politically repugnant apartheid policies led the RSA onto the road of steady deterioration in her stature in the international community. In the same year, the ROC's ruling Kuomintang (Nationalist Party; KMT), led by Generalissimo Chiang Kai-shek, were on the verge of being defeated in a raging civil war by the Chinese Communist Party's (CCP) People's Liberation Army (PLA), under the leadership of Mao Tse-tung. Half of mainland China was under CCP control, and one year later the KMT government and its army were compelled to relocate from the mainland to the island of Taiwan.<sup>38</sup> The year 1998 has been chosen as the cut-off point of this study because it was from January 1<sup>st</sup>, 1998 that the RSA switched diplomatic recognition from the ROC to the PRC and that a new phase in ROC–RSA relations emerged.

### **1.3 APPROACH AND METHOD**

The structure of this study comprises an introduction, a body of six chapters, a conclusion and an epilogue.

The present chapter (the introduction) considers the historiography on ROC–RSA relations, explains the aim and scope of the thesis, as well as the approach and methodology of the research. Lastly, this chapter also reviews the early history of the island of Taiwan and its relations with the Chinese mainland.

Chapter II analyses the historical background of ROC–RSA relations (1948-1971), the basic differences in the domestic and external milieus, as well as the most significant events that occurred in the two countries during the period 1948 to 1971, prior to the establishment of full diplomatic ties between the ROC and the RSA in 1976. The commonality, similarity and differences of the two interacting states, as well as their reluctance to embrace one another before 1971 are also examined in this chapter.

Chapter III focuses on the historical developments of the forging of ROC–RSA political and diplomatic ties during 1971-1994. It also considers the nature of the ROC–RSA diplomatic relations, as well as the divergence of national interests and the limits of the diplomatic alignment of the two countries' attempts to break out of isolation.

Chapter IV is an in-depth study of the development of ROC–RSA economic and financial ties (1948-1998), including bilateral relations in the spheres of trade, technology, investment, tourism, fishing, banking, loans, development aid, technical co-operation, and air and sea links.

Chapter V explores the myth of nuclear co-operation (1976-1990) between the two countries. The motivation, achievements and setbacks are assessed.

Chapter VI deals with other aspects of ROC–RSA relations (1948-1998), in particular the bilateral military co-operation, academic, sport and socio-cultural interchanges between the ROC and the RSA. The implementation, results and impact of these co-operative agreements on the ROC–RSA bilateral relations are appraised in this chapter.

Chapter VII focuses on the final phase of ROC–RSA diplomatic links from 1994 to 1998. This includes the severance of diplomatic relations; the continuance of substantive relations; an examination of the reactions of the respective governments, people and press of the ROC and the RSA; the repercussions of the ending of ROC–RSA diplomatic ties on the future of ROC–RSA relations; as well as the cross-Straits relations between the PRC and the ROC. Hong Kong’s reversion to the PRC and the implications of this hand-over in regard to ROC–RSA relations is also examined, as the Hong Kong factor was an important driving motive behind the South African government’s switch of recognition to the PRC.<sup>39</sup>

Chapter VIII is comprised of a conclusion and an epilogue. The conclusion assesses the eventuality of the RSA’s normalisation of relations with the PRC and the limits of the ROC’s “cheque-book diplomacy”.<sup>40</sup> The epilogue examines the adoption of pragmatic diplomacy by the two governments to maintain bilateral substantive relations and the prospects of the future relations between the ROC and the RSA.

To many South African and Western scholars, the complicated issues of ROC–RSA relations and the “Two Chinas” problem are an unpenetrable puzzle, just like the inscrutable ancient Chinese culture. This is because most of the published work in this field has relied heavily on overt sources such as general literature, speeches, documents, statements, policy pronouncements, official figures, and media reports. Much of the contents of these sources are intended for the consumption of the general public or for propaganda purposes. The real substance is hidden under a smokescreen. The important part involves concealed and invisible factors, such as hidden decisions and actions, intelligence operations, behind the scene negotiations and tacit understandings, as well as the role-players’ basic motives, their values,

ideology, long-term goals, interests, world view and historical perceptions. These covert factors are sometimes more important than overt factors. But because of sensitivity and security considerations, the relevant governments tend to hide these covert factors from the public. Hence, the visible and quantifiable empirical data are only the tip of the iceberg.

Therefore, the approach adopted in this dissertation is to avoid following a rigid empirical model and using merely overt sources, quantifiable and empirical data. Instead the author will also use available covert sources and non-empirical, non-quantifiable and non-observable data, as well as information in respect of clandestine activities, secret diplomacy, mutual betrayal and even psychological tactics to analyse what were the real happenings during the years under discussion.<sup>41</sup> Covert sources include role-players' personal recollections, unpublished diplomatic documents, minutes of secret meetings and interviews. Other primary sources and references are drawn from mainly English and Chinese sources, and translations of Afrikaans sources have also been utilised.

#### **1.4 RESEARCH PROBLEMS**

In pursuing this study, the following difficulties were encountered:

Firstly, as a senior career diplomat in the ROC foreign service,<sup>42</sup> the demanding responsibilities, arduous workload, and frequent diplomatic transfers made the continuity of this research project very difficult. Official duties and state affairs often disrupted the collection of primary sources, the arrangement of the academic framework and even the writing of the dissertation.<sup>43</sup>

Secondly, some of the covert sources and intelligence information that the author obtained in his diplomatic service in regard to this thesis are extremely sensitive and cannot be made public. Some of this information is still barred from publication by the

related governments due to the 50 year embargo, and some of the political leaders discussed are still in power. The exposure of certain situations, sources and clandestine dealings will inevitably result in political controversy and diplomatic friction. Therefore certain valuable information and sources have been omitted in this study, so as to avoid this arising.<sup>44</sup>

Thirdly, the inability of the author to understand the Afrikaans language has to a certain extent, constrained the availability of information published in Afrikaans, although the author has acquired the most relevant sources in translations, where possible.

## **1.5 HISTORICAL BACKGROUND—THE SEPARATION OF THE CHINESE MAINLAND AND TAIWAN**

The ROC, commonly known as Taiwan, has probably never been comprehensively understood in a balanced and objective manner by the international community, nor by many people in the RSA. As history does not develop in a vacuum, in order to understand the ROC, there is a need to first understand the unique history of the island of Taiwan and its bittersweet relations with the Chinese mainland.

Taiwan's indigenous people are proto-Malayan aborigines, belonging to the Malayan-Polynesian family of Indonesia.<sup>45</sup> Although Chinese settlement in Taiwan dates back to the 12<sup>th</sup> century, large-scale Chinese migration to the island only began during the 17<sup>th</sup> century.<sup>46</sup> Towards the end of the 16<sup>th</sup> century, Portuguese navigators sailed around the coast of Taiwan and named the island "Ilha Formosa" which means "beautiful island."<sup>47</sup> Formosa (the Chinese called the island "Taiwan") did not come under Chinese imperial administration during the Ming dynasty (1368-1644). In 1623, the Dutch East India Company took over the island, and from 1624 to 1662, the Dutch ruled the southern part of the island,<sup>48</sup> while the Spanish occupied the northern part for some time. In 1644, Manchu tribesmen invaded China, overthrew the Ming dynasty, and established the Ching dynasty (1644-1912). A Ming loyalist, Cheng Ch'eng-kung (also

known as Koxinga) invaded Taiwan and ousted the Dutch in 1662. Cheng and his successors set up their own autonomous government and ruled Taiwan between 1662 and 1683. However, Cheng's government surrendered to the Ching dynasty when faced with an imminent invasion by the Ching navy in 1683. Taiwan was then formally incorporated by the Ching Empire.<sup>49</sup>

Before 1683, the rulers of mainland China had by and large ignored Taiwan and Chinese contact with Taiwan was minimal.<sup>50</sup> The rule of the Ching dynasty over Taiwan was short-lived and resisted by the Taiwanese population. The Ching dynasty had to contend with sixty-eight Taiwanese popular uprisings during 1683-1894.<sup>51</sup> In 1895, Japan defeated China in the Sino-Japanese war, and Taiwan was ceded to Japan. Japan ruled Taiwan for fifty years until the Japanese were defeated by the Allies at the end of World War II. In 1945, the Allies returned Taiwan to the Kuomintang or Nationalist government led by Chiang Kai-shek.<sup>52</sup>

On the Chinese mainland, the Ching dynasty was overthrown in 1912 and Asia's first democracy, the ROC, was established by the Kuomintang at Nanking under the leadership of Sun Yat-sen. Chiang Kai-shek, the then commander-in-chief of the Kuomintang army, succeeded Sun Yat-sen in the late 1920s. In the early 1930s, while Chiang was in power, the Chinese civil war began. The Chinese Communist Party (CCP) was established in 1921.<sup>53</sup> In 1931, led by Mao Tse-tung (also spelt Mao Zedong), the CCP began its armed rebellion and established its own government (the so-called "Chinese Soviet Republic") in Juichin, Kiangsi province.<sup>54</sup> As the Kuomintang government and its forces were preoccupied with repelling the Japanese invasion during 1937-1945, the CCP was able to expand its influence and territory.<sup>55</sup> At the end of World War II, civil war between the Kuomintang and the CCP once again broke out on the Chinese mainland in 1945. Following defeat by the CCP in early 1949, Chiang Kai-shek and his Kuomintang government relocated from mainland China to Taiwan. Chiang's retreat to Taiwan and his struggle against the odds to recover the mainland parallel Koxinga's resistance to the Manchus. In October 1949, the CCP established the People's Republic of China (PRC) at Beijing.<sup>56</sup>



In brief, as a result of the Chinese civil war, China has been divided into two contending political entities since 1949: these are the People's Republic of China (PRC) on the mainland (seated in Beijing, formerly called Peking), and the Republic of China (ROC), which relocated its seat of government from the Chinese mainland to Taiwan (seated in Taipei). Both the ROC and the PRC exist simultaneously on each side of the Taiwan Strait with different political systems. The ROC, a democracy, maintains territorial jurisdiction over Taiwan, Penghu, Kinmen, Matsu and other islets. The PRC, a one-party communist state, has control over the Chinese mainland. Although the PRC government claims to represent the whole of China, including Taiwan, and insists that the ROC should be treated as part of China without the status of a state, each government has effective jurisdiction over its respective territory. In international affairs, both sides claim to be sovereign independent states, neither being subject to the other.<sup>57</sup>

Under Chiang and his successors' rule, martial law was imposed on Taiwan for the next forty years. Nevertheless, the Chiang's martial law could not stop the Taiwanese people's quest for political freedom and democracy. In 1986, the Democratic Progressive Party (DPP), which is composed of mostly non-mainlanders, was formed.<sup>58</sup> The DPP was in the forefront of the democratic movement in the 1980s. In his final years, the ROC's former president, Chiang Ching-kuo (the eldest son of Chiang Kai-shek), instituted some domestic political reforms during the 1980s. Upon the foundation laid by the Chiangs, the ROC was able to move rapidly towards democracy. From 1987, as the restrictions of the emergency decree were lifted, the ROC's citizens are allowed to visit the Chinese mainland. In 1988, Lee Teng-hui succeeded Chiang Ching-kuo after Chiang's death. Lee was formally elected president by the National Assembly in 1990. Lee Teng-hui, a Taiwan-born leader, continued his predecessor's policies of liberalisation and the reformation of the ROC's ossified political system and made great contributions to greatly deepen the democratisation process.<sup>59</sup> Under the Chiangs, the ROC government claimed to be the sole legitimate government of the whole of China. Despite the imposition of martial law, the Chiangs allowed local elections for county

magistrates, city mayors, provincial assembly members and county and city council members. Supplementary elections for the members of the three parliamentary bodies – the Legislative Yuan, the National Assembly and the Control Yuan – were also held regularly in the ROC.<sup>60</sup>

However, because the ROC government was not in effective control over the mainland, before 1987 it was asserted that wholesale general elections and presidential elections by direct popular vote were impossible, since the election could only be held in Taiwan, and not on mainland China as well. In 1991, Lee formally renounced the ROC's claim to be the only legitimate government of China and repealed the so-called Temporary Provisions Effective During the Period of Mobilization for Suppression of the Communist Rebellion. By doing so, the ROC government intended to end the state of hostility and peacefully resolve the differences between the two sides of the Taiwan Strait. The PRC has not responded in good faith and has consistently refused to renounce the use of force against the ROC. Lee's renouncement was a significant turning point, and paved the way for further political reform and the adoption of a more flexible foreign policy, as well as general elections for MPs and the first direct popular election of the ROC's President in March 1996. In many ways, Lee was the architect of the ROC's democracy.<sup>61</sup> It was under Lee's presidency (1988-2000), that the ROC was transformed from a one-party state to a full democracy and free country. As of 1996, there were 82 different political parties registered in the ROC.<sup>62</sup> The Kuomintang, the DPP, the People First Party and the New Party are the major political parties. Freedom of speech and the freedom of the press are fully respected, and no subject is off-limits. It was also under Lee's presidency that Taiwanization and Taiwan's identity emerged as the main focus of the ROC's politics.<sup>63</sup> In March 2000, the ROC's democratic process reached its peak with the election of Chen Shui-bian from the DPP as president. On May 20<sup>th</sup>, 2000, Lee transferred power peacefully to Chen. Chen's inauguration marks the completion of the ROC's democratisation.<sup>64</sup>

In contrast to the ROC's remarkable stable economic development and political reforms, the Chinese mainland under the PRC government has gone through three decades of

turbulent upheaval and revolutionary turmoil prior to 1978. These decades witnessed the land reform and socialist transformation (1949-1957), the Great Leap Forward (1958-1959), natural disasters in 1959-1961 and the Great Proletarian Cultural Revolution (1966-1976).<sup>65</sup> These socialist experiments greatly horrified the Taiwanese people and cost the PRC three decades of national development. The differences between the two sides of the Taiwan Straits widened during 1949-1978. As the ROC was isolated internationally, its government chose liberalisation and democratisation as a course of action to solicit international support. Although the mainland started to embark upon economic reforms in 1979, the PRC's former paramount leader, Deng Xiaoping, and his successor, Jiang Zemin, chose to "stick with the socialist road" and suppress "bourgeois liberalisation" in the face of political liberalisation and ideological tightening.<sup>66</sup> The brutal crushing of the pro-democracy protests in Beijing's Tiananmen Square in June 1989, and the PRC's recent suppression of various religious groups, including the Tibetan Buddhists, Xinjiang's Muslims and members of the Falun Gong spiritual movement, are the hallmarks of Beijing's anti-liberalisation crackdown.<sup>67</sup> The Tiananmen Square killings had "demonstrated the limits to his [Deng's] political courage and vision by moving in the opposite direction."<sup>68</sup> The Taiwanese people's "mainland fever" and their aspirations to reunify were totally shattered by the brutality of the June 4<sup>th</sup>, 1989 Tiananman Square crackdown.<sup>69</sup>

The above historical development shows clearly that long-standing animosity and political divergences are existent in Taiwan–Mainland relations, and that the assertion that Taiwan has always been an integral part of China is a myth, not a fact.<sup>70</sup> Taiwan's complex history reflects that although Taiwan was incorporated with mainland China for short periods at different times (1683-1894 and 1945-1948), for far greater periods, Taiwan has been separate from the Chinese mainland polity. It was only during the period 1885-1895 and in the years immediately after the end of World War II that Taiwan was a province of China.<sup>71</sup> John Bryan Starr, a Yale scholar, rightly affirms that "at all other times, Taiwan has been largely independent to the control of a mainland Chinese government."<sup>72</sup> It is evident that Taiwan is not part of the PRC governed by

Beijing. The ROC is effectively an independent sovereign state, and unlike the PRC, it is a vibrant multi-party democracy. Politically, the ROC and the PRC are drifting apart.<sup>73</sup>

Many scholars are of a similar opinion. Weiqun Gu, a Harvard-trained Chinese scholar, considers China after the end of World War II as one of the “divided nations”, similar to Germany, Vietnam and Korea.<sup>74</sup> Michael Yahuda, a Reader at the University of London School of Economics and Political Science, also indicates that “Taiwan is a de facto independent and sovereign Chinese state that is neither unified with the mainland, nor a separate state.”<sup>75</sup> John Daniel, a professor at the University of Durban-Westville, concludes that “there is no real historical validity to the mainland’s claim that Taiwan is an inalienable part of China and always has been.”<sup>76</sup> Daniel further points out that, as the majority of the ROC’s residents were born in Taiwan, not in mainland China, “they see themselves first and foremost as citizens of Taiwan.”<sup>77</sup> However, culturally and ethnically the ROC’s citizens are still Chinese. Daniel points out that “they are Chinese, yes, in the same way as South Africa’s Indians are still Indians, but that does not make them feel or yearn to be citizens of India.”<sup>78</sup>

The two sides’ political cultures and the prevalent values of their respective societies are also different. The well-known Victorian writer and philosopher, John Stuart Mill (1806-1873) pointed out that due to its intolerance of the spirit of liberty and individuality, the Chinese culture had become despotic and stationary.<sup>79</sup> This view reflects the Taiwanese perspective of the PRC. The PRC government is seen as an authoritarian, brutal and oppressive regime. From this point of view, Chinese history is perceived as “a sad chronicle of advance and decline recurring again and again” and mainland China is once again “caught in the vicious circle of its stagnant history.”<sup>80</sup> The animosity of the majority of native-born Taiwanese people to the Chinese communist regime is reflected by the following remarks made by the ROC former President, Lee Teng-hui:

What did the Communist revolution accomplish? It did not bring the continent out of stagnation or free the people of stifling, oppressive

tradition; what it did do was resurrect “hegemony” and imperialism. Economic production appears to have increased under the “socialist market economy,” but the thinking behind it has not changed. Mainland China’s economy may be growing, but political reform has not progressed at all. The situation in the mainland now leads me to believe that Taiwan is the one to provide a model for all China in the future.<sup>81</sup>

In addition to their aversion to the PRC’s despotism and its suppression of political freedom, the Taiwanese feel repugnance towards Beijing’s frequent intimidation and threat of an armed invasion of Taiwan, the PRC’s coercive diplomacy and the international community’s unfair treatment of the ROC. A statement made by Lee mirrored this antipathy and revealed “the pathos of being born Taiwanese.”<sup>82</sup> He was saddened by the fact that “for centuries the people of Taiwan were denied the opportunity to govern themselves; [and] no matter how hard they might strive, their homeland was not their own.”<sup>83</sup> Lee’s remarks reflect the feelings of the majority of the ROC’s people. Most Taiwanese are unhappy with the ROC’s diplomatic isolation as well as the manner in which the ROC has been victimised in the international political arena. An official at the ROC’s Ministry of Foreign Affairs (MOFA) stated: “We have been unfairly treated by the world. We are not the IRA or the PLO, but are regarded as untouchables.”<sup>84</sup> Many Taiwanese are upset that San Marino is a member of the United Nations, while the ROC, an economic giant, is not.<sup>85</sup>

The ROC former Minister of Foreign Affairs, John Chang, expressed similar sentiments while addressing the Committee on Foreign Affairs, Security and Defence Policy of the European Parliament at Brussels, Belgium, on May 27<sup>th</sup>, 1997. Chang commented that it had taken more than 25 years for the ROC government to be given an important international forum such as the European Parliament to have the ROC’s voice heard, to relay the ROC’s views and to tell the ROC’s side of the story. Chang stated:

It is sad to point out that our freedom of speech as a sovereign state, has long been deprived of from almost all international organisations since

1971, the year we were forced out of the UN, simply because of mainland China's untrue position that there is but one China on earth, which is the People's Republic of China, and that the Republic of China on Taiwan is one of their provinces. The sheer existence of one able, prosperous, vigorous and democratic government called the Republic of China, has been for nearly a quarter-century, veiled in [the] thick political fog of world politics. The truth about my country, and the truth about my people have all been flagrantly distorted and badly twisted. And the rights of my government as a sovereign state have subsequently been brutally neglected, ignored and even totally denied in the world affairs arena for decades.<sup>86</sup>

As a result of this, there is a great deal of residual bitterness and distrust amongst the Taiwanese towards mainland China. The two sides of the Taiwan Strait have had no official contact since 1949; however private exchanges have grown steadily since 1987, particularly in the aspects of culture, science, education, visits and business. There is also a strong determination for the Taiwanese to control their own destiny and maintain their very existence.<sup>87</sup> The ROC's relations with the RSA is the story of the ROC's long struggle to devise a diplomatic strategy to reduce its economic vulnerability and dependence on the USA for its national security, and to ensure sovereign control over its own existence.<sup>88</sup>

## **1.6 A NOTE ON ROMANIZATION**

There are two ways to transliterate Chinese individual names and places into English: the older "Wade-Giles" system and the "pinyin" (phonetic spelling) system. In the ROC, the "Wade-Giles" method is still mostly used. This is the system that has been used for more than a century by Western scholars and the media in the past. For example, the name of the former leader of the CCP is spelt "Mao Tse-tung" according to the "Wade-Giles" system, but "Mao Zedong" according to the "pinyin" system. A second example

is the name of the ROC former President Chiang, which is spelt “Chiang Ching-kuo” and “Jiang Jinguo” according to the two systems, respectively. Similarly, according to the “Wade-Giles” method, the former paramount leader of the PRC is known as “Teng Hsiao-ping”, not “Deng Xiaoping”.

In mainland China, the PRC uses the “pinyin” system, e.g. “Beijing”, not “Peking”; “Mao Zedong”, not “Mao Tse-tung”; “Deng Xiaoping”, not “Teng Hsiao-ping”; and “Guomintang”, not “Kuomintang”. This system has become the internationally favoured method of transliterating Chinese into Roman characters, and the “Wade-Giles” system has been gradually phased out. Although the spelling of the two systems differs, the original Chinese characters and the pronunciation of these terms are basically the same. However, the ROC uses the traditional regular Chinese characters, and the PRC has adopted a simplified form of Chinese characters. This means that the Chinese characters used in the ROC and the PRC are now written differently.

As the author was born and bred in Taiwan, he has opted to follow neither system consistently in this thesis, but rather to use what seems to him to be the most familiar spelling to Western readers; e.g. “Mao Tse-tung”, not “Mao Zedong”; “Chiang Kai-shek”, not “Jiang Jiehsih”; “Chiang Ching-kuo”, not “Jiang Jinguo”; “Kuomintang”, not “Guomintang”; “Beijing”, not “Peking”; and “Taipei”, not “Taibei”. To put it simply, a combination of the “Wade-Giles” and the “pinyin” systems has been used throughout the thesis.

## FOOTNOTES

### CHAPTER I

#### Introduction

1. The most relevant paper pertaining to the bilateral relations between the Republic of China (ROC) and the Republic of South Africa (RSA) is the official document prepared by the RSA's Department of Foreign Affairs, entitled "Background paper for discussion with Foreign Minister John Chang of the Republic of China on January 1997". This paper analyses mainly the ROC's negotiating strategy, the RSA's interests, what the RSA could offer the ROC, and what would the ROC like to secure in the RSA. This paper never touches upon the historical evolution of ROC–RSA relations, nor was it published.
2. The notable academic works are D. Geldenhuys' Isolated States: A Comparative Analysis and his article "The Politics of South Africa's China Switch" in Issues & Studies, Vol.33, No.7, July 1997; C. Alden, "Solving South Africa's Chinese Puzzle: Democratic Foreign Policy Making and the 'Two Chinas' Question", in the South African Institute of International Affairs' (SAIIA) South African Journal of International Affairs, Vol.5, No.2, Winter 1998; and the unpublished MA thesis written by M. J. Davies, entitled "South Africa's Relations with the PRC and the ROC 1949 to 1995: The Question of Diplomatic Recognition." None of these studies overlap this thesis.
3. C.F.J. Muller (ed.), Five Hundred Years: A History of South Africa, p.19.
4. The Chinese community in South Africa numbered around 20,000 people in 1996, which constituted 0.04% of the RSA's total population. See M. Yap & D. L. Man, Colour, Confusion and Concessions: The History of the Chinese in South Africa, p.1 of the Introduction.
5. D.F.S. Fourie, "South Africa and the East", in A. J. Venter (ed.), Foreign Policy Issues in a Democratic South Africa, p.153.
6. See the SAIIA Research Group, South Africa and the Two Chinas Dilemma; as well as W. Breytenbach, "The Chinese Dilemma: Dual Recognition is the Ultimate Solution", in The South African Journal of International Affairs, Vol.2, No.1, Summer 1994.
7. See G. Mbeki, The Struggle for Liberation in South Africa: A Short History; I. Liebenberg (ed.), The Long March: The Story of the Struggle for Liberation in South Africa; R. Kasrils, Armed and Dangerous; and J. Slovo, The Unfinished Autobiography.
8. See B. D. Larkin, China and Africa; A. Ogunsanwo, China's Policy in Africa, 1958-1971; W. Pfeifenberger, "The South African Policy of the People's Republic of China" in Journal for Contemporary History, Vol.6, No.1, July 1981, pp.1-11; C. Maritz, "Pretoria's Reaction to the Role of Moscow and Peking in Southern Africa" in Journal of Modern African Studies, Vol.25, No.2, 1987, pp.321-344; and the Ph.D. thesis presented to the Rand Afrikaans University in 1976 by D. S. Prinsloo entitled "China's Foreign Policy and Southern Africa, 1949-1973."
9. See P. Vale's paper entitled "South Africa and Taiwan – Pariahs, International Redemption and Global Change." The paper was presented at a conference in Taipei organised by the Democratic Progressive Party (DPP) in 1993 called "Taiwan's Expanding Role in the International Arena: Entering into the United Nations." This 19-page paper focuses mainly on both the practical and ideological issues concerning the pariah status of the RSA and the ROC. Also see D. Geldenhuys' Isolated States; K. van Wyk, "Elite Perceptions of South Africa's International Options", in International Affairs Bulletin, Vol.11, No.3, 1987, pp.51-76; R. E Harkavy, "The Pariah State Syndrome", in Orbis, Vol.21, No.3, Fall 1977, pp.627-631.
10. D. Geldenhuys, Isolated States: South Africa and the China Question: A Case for Dual Recognition, March 1995; and "The Politics of South Africa's 'China Switch'" in Issues & Studies, Vol.33, No.7, July 1997, pp. 93-131.
11. Ibid.
12. Ibid.
13. See M. J. Davies, South Africa and Taiwan: Managing the Post-Diplomatic Relationship, East Asia Project (EAP), International Relational Department, University of the Witwatersrand, November 1998; G. Mills & W. Mabena, "One China, Two Nations – Chen's Dilemma", in The Sowetan, May 19<sup>th</sup>, 2000; W. Mabena, "A New Chapter in Cross-Straits Relations" in SAIIA's South African Yearbook of





- International Affairs 2000/1, pp.377-383; C. Alden, "China and South Africa: The Dawn of a New Relationship" in SAIIA's South African Yearbook of International Affairs 1998/9, pp.89-91; C. Alden & G. Shelton, Cross-Straits Relations: A Study of Chinese Interaction Across Political and Economic Barriers; and G. Shelton, "China's Africa Policy and South Africa: Building New Economic Partnerships", in SAIIA's South African Yearbook of International Affairs 2000/1, pp.385-392.
14. See G. Mills, "Sowing Investment" in Business Africa, October 2000, pp.75-77; M. Glinzer, "Not a Zero-sum Game: SA, Taiwan and China", in the SAIIA's Intelligence Update, 24/2000, pp.1-3; the SAIIA Research Group, South Africa and the Two Chinas Dilemma; and M. J. Davies, South Africa's Relations with the PRC and the ROC 1949 to 1995: The Question of Diplomatic Recognition, MA thesis submitted to the University of the Witwaterstrand, October 1995.
  15. J. Pickles & J. Woods, "Taiwanese Investment in South Africa", in African Affairs, Vol.88, No.353, October 1989, pp.515-529.
  16. *Ibid.*, p.528.
  17. Personal interviews, held on March 18<sup>th</sup>, 1996, with Mr Paulos Ngcobo, COSATU Regional Secretary in KwaZulu-Natal, and Mr Jabu Ngcobo, General Secretary of SACTWU.
  18. D. Geldenhuys, "The Politics of South Africa's 'China Switch'" in Issues & Studies, Vol.33, No.7, July 1997, pp. 93-131; and C. Alden, "Solving South Africa's Chinese Puzzle: Democratic Foreign Policy Making and the 'Two Chinas' Question", in SAIIA's South African Journal of International Affairs, Vol.5, No.2, Winter 1998, pp.80-93.
  19. P. L. Copping, South Africa–Republic of China Trade Barriers and Export Incentives, MBA thesis, University of the Witswaterstrand, 1984.
  20. M. J. Davies, South Africa and Taiwan: Managing the Post-Diplomatic Relationship, pp.1-13.
  21. Davies' thesis neither explores ROC–RSA relations during 1995-1998, nor provides a detailed examination of the historical forces leading to the RSA's severance of diplomatic ties with the ROC.
  22. See the SAIIA Research Group, South Africa and the Two Chinas Dilemma.
  23. G. le Pere & A. van Nieuwkerk, "Making Foreign Policy in South Africa", in P. Nel & P. J. McGowan (eds.), Power, Wealth and Global Order: An International Relations Textbook for Africa, pp.196-215.
  24. See the SAIIA Research Group, South Africa and the Two Chinas Dilemma.
  25. R. Suttner, "Dilemmas of South African Foreign Policy: the Question of China", in South Africa and the Two Chinas Dilemma, p.4.
  26. W. Breytenbach, "The Chinese Dilemma: Dual Recognition is the Ultimate Solution", in The South African Journal of International Affairs, Vol.2, No.1, Summer 1994.
  27. Harkavy, "The Pariah State Syndrome", pp.627-631.
  28. Geldenhuys, Isolated States, p.669.
  29. H. Kobayasi, "The Economic Development of Pacific Rim Countries and Southern Africa", in The South African Journal of International Affairs, Vol.2, No.1, Summer 1994, pp.40-43.
  30. Wen-jen Hu, The Strategic Significance of the Republic of China on Taiwan, Ph.D. thesis, University of Pretoria, 1988, p.351.
  31. *Ibid.*
  32. G. St.J. Barclay, "Strategy of Despair: South Africa and the Alignment of the Alienated, 1974-82", in Journal for Contemporary History, Vol.7, No.2, December 1982, pp.2-5.
  33. *Ibid.*, pp.2-5, 10.
  34. Harkavy, "The Pariah State Syndrome", pp.644-645.
  35. The official documents from the archives of the former Embassy of the Republic of China (from January 1998 named the "Taipei Liaison Office in the RSA") and the RSA's Department of Foreign Affairs are simultaneously utilised to present a relative objective historical account of the period under study (1948-1998).
  36. The government of the Republic of China (ROC) did not recognise the four independent homelands, i.e. Transkei, Bophuthatswana, Venda and Ciskei.
  37. D. Posel, The Making of Apartheid, 1948-1961, pp.1-5.
  38. P. Johnson, Modern Times, p.446.
  39. Geldenhuys, "The Politics of South Africa's 'China Switch'" in Issues & Studies, Vol.33, No.7, July 1997, p.115.
  40. Le Pere & van Nieuwkerk, "Making Foreign Policy in South Africa", in P. Nel & P.J. McGowan (eds.), Power, Wealth and Global Order, p.213.

41. Part of the covert sources used in this thesis include interviews with the relevant ambassadors, officials, leader of organisations, such as COSATU, SACTWA and the SACP, as well as their personal revelations of confidential information and the two governments' unpublished minutes of various internal meetings.
42. The author was Chargé d'Affaires of the ROC diplomatic missions in Grenada and St. Lucia, Consul-General and Dean of Consular Corps in Durban, RSA and the Deputy Chief of Mission in South Africa. He was appointed as the ROC Ambassador to the Republic of the Marshall Islands with effect from March 16<sup>th</sup>, 2001, and took up his Ambassadorial post as from June 5<sup>th</sup>, 2001.
43. As a highly competent diplomat, the author was transferred frequently to different places to implement the ROC's foreign policy: South Africa (1981-1984), Swaziland (1984-1989), Grenada (1989-1990), St. Lucia (1990-1992), Taipei (1992-1994), Durban (1994-1998), Pretoria (1998-2001) and the Marshall Islands (2001 to date). As a result of this, the writing of the thesis was disrupted from time to time, and as the thesis took a long time in completing, the political situation changed during the process of this study.
44. In order to avoid diplomatic controversy and legal implications, the details of the ROC's "chequebook diplomacy", sensitive behind-the-scene dealings between certain political leaders and related governments, and allegations of a RSA-Israel nuclear connection, as well as the details of the RSA's destruction of its six nuclear devises, are deleted from this thesis.
45. The Republic of China Yearbook, 1996, p.53.
46. *Ibid.*, pp.55-56.
47. *Ibid.*, p.54.
48. *Ibid.*
49. *Ibid.*, p.57.
50. C. Attix, "Between the devil and the deep blue sea: are Taiwan's trading partner's implying recognition of Taiwanese statehood?" in California Western International Law Journal, Vol.25, 1995, p.359.
51. *Ibid.*, pp.359-360.
52. *Ibid.*, p.361.
53. The ROC Ministry of Foreign Affairs (MOFA), The Republic of China on Taiwan and the United Nations, August 1995, p.3.
54. *Ibid.*
55. *Ibid.*
56. *Ibid.*
57. *Ibid.*, p.5.
58. Republic of China Yearbook, 1996, P.99.
59. Republic of China Yearbook, 1997, pp.68-69.
60. *Ibid.*, pp.102-103.
61. See Lee Teng-hui, The Road to Democracy, p.10. Lee continued to focus his efforts for democracy during the 1990s.
62. Republic of China Yearbook, 1997, p.99.
63. J. B. Starr, Understanding China, p.276. Also see Lee Teng-hui, The Road to Democracy, pp.51-52.
64. S. Breslin, "China's response to democratization in Taiwan" in Global Dialogue, September 2000, Vol.5.2, p.27.
65. See M. Seldon (ed.), The People's Republic of China: A Documentary History of Revolutionary Change, pp.95-111.
66. Deng Xiaoping's remarks made at the CCP Central Politburo Standing Committee meeting on June 16<sup>th</sup>, 1989 and its enlarged meeting on June 19<sup>th</sup>, 1989, while he met with the CCP's third generation leadership, including Jiang Zemin and Li Peng. See A. J. Nathan & P. Links (eds.), The Tiananmen Papers, pp.428, 432.
67. See Newsweek, July 10<sup>th</sup>, 2000, pp.26-41 (Dreams as big as the West) and pp.41-42 (Trouble in 'Turkestan': Beijing's crackdown on the Uighurs of Xinjiang); and The Star, March 19<sup>th</sup>, 2001, p.4 (Falun Gong fire victim dies).
68. Starr, Understanding China, p.286.
69. Chong-pin Lin, "Beijing and Taipei: dialects in post-Tiananmen interactions" in David Shambaugh (ed.), Greater China: The Next Superpower?, p.119.
70. Starr, Understanding China, p.267.



71. Ibid.
72. Ibid.
73. See Newsweek, July 10<sup>th</sup>, 2000, p.43 (Getting to 'One China': the G8 should urge Taiwan and Beijing to resume talks about their most sensitive issue).
74. See Weiqun Gu, Conflicts of Divided Nations: The Case of China and Korea, p.1.
75. M. Yahuda, "The foreign relations of Greater China" in D. Shambaugh (ed.), Greater China: The Next Superpower?, p.35.
76. J. Daniel, "Discussant", in SAIIA (ed.), South Africa and the Two Chinas Dilemma, p.17.
77. Ibid.
78. Ibid.
79. J. S. Mill, "On Liberty", collected in The Norton Anthology of English Literature, 1968, Vol.2, pp.1272-1273.
80. Lee Teng-hui, The Road to Democracy, p.53.
81. Ibid.
82. Ibid.
83. Ibid.
84. See The Economist, November 12<sup>th</sup>, 1994 (Defending Taiwan). Also see the ROC Ministry of Foreign Affairs (hereinafter referred to as MOFA), The ROC—Precious Jade: Selected Articles from the World News Media on the Republic of China, July 1995, p.41.
85. Ibid.
86. J. Chang's speech, "We, the Republic of China on Taiwan, shall rise up again", delivered at the European Parliament, Brussels, Belgium, on May 22<sup>nd</sup>, 1997, published in Hungdah Chiu (ed.), Chinese Yearbook of International Law and Affairs, Vol.15, 1996-1997, pp.1-2.
87. Lee, The Road to Democracy, pp.51-52.
88. See the minutes of the 189<sup>th</sup> meeting of the Central Standing Committee of the Kuomintang, held at Taipei, on October 22<sup>nd</sup>, 1980.

## CHAPTER II

### THE PERIOD OF RELUCTANT RELATIONS, 1948-1971

#### 2.1 INTRODUCTION

The year 1948 marked a watershed in the history of the ROC and the RSA in terms of their internal historical development and external relations. It heralded not only the end of the high-profile era for the national leaders of both the ROC and the RSA, but also the beginning of a period of dramatic change in the domestic situation as well as the decline of the international stature of both countries.

Before 1948, the then Union of South Africa was one of the most prestigious members of the international community. Despite sporadic criticism levelled at the it over its administration of South West Africa and the treatment of its Indian population, South Africa enjoyed a highly respected international position and pursued normal interactions with other countries. The Union of South Africa was one of three independent states in Africa and the most economically developed country on the continent. As a member of the Commonwealth, South Africa was fully integrated with the mainstream of international society. She was also regarded as an important link of the Commonwealth defence network in Africa.<sup>1</sup> At the time, her internal racial policies rarely met any significant challenge. Large parts of Africa and Asia were still under white colonial rule as it was the last phase of European colonialism, and white domination over the non-white peoples was generally the order of the day. The long practised policy of racial segregation and white minority rule in South Africa seldom became a conspicuous focus of world condemnation. South Africa's internal racial policy did not expand into an internationalised issue, as would be the case in the second half of the twentieth century. As it was still in the era of the *Pax Britannica*, the British connection – notwithstanding Britain's criticism of South Africa's domestic policies – was one of the beneficial factors for South Africa to facilitate its close association with the Western powers, which in turn enhanced South Africa's international standing.

Apart from its links with Britain, the pre-eminent role played by the Prime Minister of the Union of South Africa, Field Marshal Jan Smuts, and the Union's significant role in the war effort of the Allies, also contributed to South Africa's esteemed position in the international community. Smuts' personal charisma, his international prestige and active role in the Allies' defeat of the Axis powers certainly boosted South Africa's image and international standing. As a result, South Africa not only enjoyed unproportionate international influence, but also played a leading role in important international activities such as the formation of the League of Nations and the United Nations (UN). Smuts' prestige and international stature reached a pinnacle during his second term (1939–1945) as Prime Minister when he attended meetings of the War Cabinet in London.<sup>2</sup>

On the Chinese mainland, the development of events during the same period manifested a similar trend. In the inter-war years, the Kuomintang (Nationalist) government was considered one of the major Allied Powers as it played an important role in resisting Japanese aggression in Asia. The leader of the Kuomintang government, Generalissimo Chiang Kai-shek, was the Supreme Commander of the Allied Forces of the China Theatre in the war years. At the time, Chiang was comparable to Smuts in terms of international stature. From the year 1937 – when the Sino-Japanese war broke out – until 1948, Chiang stood at the zenith of his international prestige and political power as he dominated a large and populous country. At the height of his career, he attended the summit meeting of the leaders of the Allied powers in Cairo in 1943 as one of the Big Four, together with Josef Stalin, Winston Churchill and Franklin D. Roosevelt. He was heralded as “the greatest soldier-statesman of our time on the Continent of Asia.”<sup>3</sup>

However, in the wake of the Second World War, a gradual process of international isolation set in for both the Kuomintang and the South African governments, and the year 1948 became an important turning point for the deterioration of these two countries' international status. After 1948, both countries were to face unprecedented adversity with sweeping changes of the internal and external milieu. Both were heading

towards isolation and a decline of international status; both were confronted with a looming threat to national security; both were accused of illegitimate governance and both suffered the diminishing stature of the respective political leaders in the international community. The turn of the tide against these two countries was largely due to fundamental changes in their external environment as well as their domestic situations.

In the international environment, the end of the Second World War did not bring any further grandeur and acclaim to Smuts or Chiang Kai-shek. On the contrary, the end of the war was actually “the concluding phase of one of the most historic and dramatic developments of our time.”<sup>4</sup> The process of decolonisation was set to change the old international political map. The post war era saw the swift dismantling, in the time-span of one generation, of the Western colonial system which had developed over five centuries.<sup>5</sup> The decline of the Western European colonial powers was partly the consequence of the unleashing of powerful nationalism, a sense of national awakening and anti-colonialism unseen before among the colonised Asian and African peoples. Pan-Africanism, which gave a sense of solidarity and sentiment of a common group heritage to the black people of African origin, was one of the said new forces to unite African people for liberation and decolonisation. The large scale prolonged war had also exhausted and weakened the European colonial powers, especially Britain, which survived the war, but was in a much weaker position compared to the pre-war era.<sup>6</sup> As a result of the decline of the old European system, a brand new post-war world order emerged to replace that which existed before the war. Decolonisation and self-determination became an internationally accepted norm. Consequently, the process of decolonisation produced many newly-independent countries which were to emerge in Africa, Asia and other Third World areas. The composition of the Third World community and that of international organisations also changed. The old European-centred world order was replaced by a new bi-polar international system of Cold War. The pivot of world power was thus shifted from Western Europe to the United States of America (USA) and the Soviet Union (USSR).<sup>6</sup>

Furthermore, in the post-war era an increasing number of people in the West, except Spain and Portugal, gradually took a more progressive view on their colonies. It was felt that colonialism was morally indefensible and financially too costly. Most people in Western Europe were concerned about the reconstruction, social welfare and economic lot at home, rather than the vanity of maintaining remote colonies with taxpayers' money. Many conservative governments, including that of Churchill, were brought down. There was a general swing to the left in Western European politics. This can be seen from the election victory won by the British Labour Party in 1945, as well as the rise of Christian Socialist Parties in West Germany, Italy, and France and strong Communist parties in France and Italy.<sup>7</sup>

## 2.2 THE TURN OF THE TIDE AGAINST SOUTH AFRICA

The various changes impacted directly on South Africa's international position and foreign relations. For example, Churchill's defeat by the Labour Party at the election on July 25<sup>th</sup>, 1945 was an unexpected blow to South Africa's post-war foreign relations. The new Labour government, obsessed with home problems and Britain's financial plight, was more inclined to relinquish the British colonies towards self-government rather than defend the white settlers or retain the British Empire at great cost. The leader of the Labour Party, Clement Attlee, did not maintain such a cordial friendship with the leader of South Africa as that which had existed between Churchill and Smuts. The former Director-General of the Department of Foreign Affairs of the Republic of South Africa (RSA), Brand Fourie, recalled:

Na die beeindiging van die oorlog het dinge in Londen vinnig verander. Die geallieerde regerings wat daar gevestig is, is terug na hulle eie lande en tot die buitewêreld se verbasing verloor Mnr. Churchill die algemene verkiesing in Brittanje in Junie 1945. Geleidelik verdwyn die leidende politieke figure met wie Suid-Afrika, deur generaal Smuts, sulke goeie verhoudings gehandhaaf het. Daar heers 'n nuwe atmosfeer en prioriteite

verander geweldig. Vinniger as verwag begin die nuwe wêreldorganisasie sy vlerke toets en sy eie invloedseer uitbrei. Intussen het die ou Volkebond homself ontbind.<sup>8</sup>

In addition to the decline of the Western colonial powers, the upsurge of African and Asian nationalism, the shift of world power, decolonisation and the changes of Western political leaders with which South Africa maintained close relations, there were other factors that emerged in the aftermath of the Second World War which had an unfavourable bearing on South Africa's foreign relations. The first and foremost factor was the rise of the new post-war international notion of universal human rights and racial equality. This new norm which favoured black majority rule was in direct conflict with South Africa's domestic order erected on white domination and racial inequality. From the standpoint of Deon Geldenhuys, an authoritative scholar on South Africa's diplomacy of isolation at the Rand Afrikaans University in Johannesburg, this was the main cause of South Africa's isolation: "a new post-war international morality that created an inhospitable external environment for a domestic order built on racial discrimination and domination."<sup>9</sup>

The founding of the UN in 1945 added further momentum to the international concern with human rights. From its very inception, the UN has been "acutely conscious of its obligation to promote the elimination of all forms of racial discrimination."<sup>10</sup> The General Assembly of the UN at its very first session unanimously adopted Resolution 103(1) on November 19<sup>th</sup>, 1946 to call on all of the governments and responsible authorities to conform both to the letter and the spirit of the Charter of the UN.<sup>11</sup> It was during this first session of the UN General Assembly that South Africa stood condemned for its domestic racial policies, and in particular about its mistreatment of its Indian population and its administration of South West Africa. This was the beginning of South Africa's friction with the UN, and these two issues later developed into the prelude of the international outcry against South Africa. With the establishment of the UN Commission on Human Rights in 1947, chaired by Mrs Eleanor Roosevelt, wife of President Roosevelt, a bill of rights was drafted. With the subsequent adoption of the Universal



Declaration of Human Rights on December 10<sup>th</sup>, 1948, the UN had become the embodiment of the lofty ideals of human rights. Human rights were sanctified as one of the important post-war codes of ethics and moral yardsticks used to measure the conduct of a sovereign member state. Most members of the UN, in which the Afro-Asian-Arab and Communist bloc formed a majority, tended to use the UN platform as an international forum to chastise and condemn South Africa's racial policies and white minority rule. In this regard, as the former Secretary-General of the UN, Boutros Boutros Ghali, had indicated that it not only played a central role in assisting South Africa to transform into a non-racial democracy, but also "provided a forum for the liberation movements and undertook an international campaign against apartheid."<sup>12</sup>

The Cold War gave the Afro-Asian states a unique opportunity of "playing the Communist bloc off against the West."<sup>13</sup> In order to win the support of the Afro-Asian nations in the rivalry for world leadership, both the USA and the USSR openly supported the African liberation movements. Both superpowers strongly denounced colonialism and white racism. The ideology of the anti-colonial revolutionaries was publicly endorsed, and the emerging Afro-Asian countries, due to common interests, soon grouped into blocs with collective organisations co-ordinating their external policies. These countries, particularly the African states, formed the backbone of the Third World. Uncommitted as they were, Afro-Asian countries were to make full use of the situation of rivalry between the two competing superpowers and to wield great bargaining influence quite out of proportion to their real strength.

The above adverse factors converged to contribute to the deterioration of South Africa's external environment and the change of the world situation. These unfavourable external changes were further compounded by the rise of an ever-growing number of hostile Afro-Asian countries, which were either granted independence from 1947 onwards or on the threshold of self-government. Among these newly-independent countries, the independence of India and Pakistan in 1947 had a direct impact on South Africa due to South Africa's large population of Indian descendants. Many other Afro-Asian nations were also to attain their independence. South Africa's racial policies,

particularly the ill treatment of South African Indians, were frequently raised by India and other newly-independent countries in the various international forums. The problem of South Africa's racial policies thus became the focal point of the international community, highlighting the injustice meted out to South Africa's Indian population and black majority. This political problem would not go away automatically until the political logjam was done away with completely. The rising tide of liberation, colonial revolution and internal non-white opposition was turning against the established order on the continent of Africa and Asia. These changes posed great challenges to white South Africa's dominance.<sup>14</sup>

It was against this background that the National Party (NP) of DF Malan was elected by the South African white voters to take over the government of Smuts in the general election of May 26<sup>th</sup>, 1948. The election of the NP underlined the rise of Afrikaner nationalism and the determination of the whites to maintain South Africa as a white country in the face of a black majority challenge. After 1949, the newly-elected NP government was determined to curb the trends towards inter-racial integration and to regulate African urbanisation. At a time when the outside world was heading towards decolonisation and the abolition of racial discrimination, South Africa was navigating a passage in the opposite direction. A series of statutes was enacted to implement apartheid policies in political, residential, social and cultural spheres. Although apartheid (literally 'Apartness') was an old practice which could be traced back to South Africa's earlier history,<sup>15</sup> the codification, legalisation and systematic implementation of blatant racial discrimination and rigid segregation on the basis of race was widely regarded as offensive to the conscience of mankind. Apartheid was often equated with oppression, injustice and immorality. In Mandela's words, "Apartheid is the embodiment of the racialism, repression and inhumanity of all previous white supremacist regimes."<sup>16</sup> In his Long Walk to Freedom, Mandela stated that "it represented the codification in one oppressive system of all the laws and regulations that had kept Africans in an inferior position for centuries."<sup>17</sup> At a time when human rights and non-racism were the moral norm, the implementation of apartheid policies was out of tune with the rest of the world.

The parting of the ways with the rest of the world was the beginning of South Africa's isolation in the international community.

On the home front, South Africa's white government was also confronted with unprecedented serious challenges and rising African nationalism. The government's embarkation upon the enacting of political/social engineering of apartheid policies was met with the escalation of black resistance. South Africa's 'non-whites' were increasingly dissatisfied with the racial discrimination, and black resistance to white supremacy became more militant. Black trade unions re-emerged and the major political organisation, the African National Congress (ANC), was revitalised. As from 1948 onwards, the ANC began moving away from its relatively peaceful nature of resistance to militant mass action. From 1949 to 1952, the ANC Youth League under the leadership of Nelson Mandela, Oliver Tambo and Walter Sisulu, guided the ANC to "a more radical and revolutionary path".<sup>18</sup>

This was reflected by the adoption of the Youth League's Programme of Action at the ANC annual conference in Bloemfontein in 1949. The Programme of Action called for boycotts, strikes, stay-aways from work, protest demonstrations and other forms of mass action to "strike at racial oppression."<sup>19</sup> The mass action further developed into the Defiance Campaign in the 1950s to resist the unjust apartheid laws. The resistance of the black nationalist movements intensified, while the NP chose to legalise and codify the apartheid system. The demands of the ANC were basically one man, one vote, to eradicate race discrimination in all its forms and to build South Africa as a unitary, democratic and non-racial state.<sup>20</sup> As the black population in South Africa outnumbered the white population, this was tantamount to black majority rule. Therefore, the South African government refused to submit to black demands and outside dictation and, on the contrary, it decided to defend the survival and the status quo of white dominance at all costs and against world opinion. The consequence was direct confrontation between the South African government and the black nationalist movements in the decades of the 1950s and 1960s.

In short, South Africa had entered a period of changing relations with the outside world in the wake of the NP's assumption of power in 1948. Between the 1950s and the beginning of the 1970s, South Africa gradually fell into the abyss of international isolation. To analyse the root causes of the RSA's isolation, there are three different perspectives. The first school of thought is led by Gerrit Olivier, a well-known South African scholar of international relations. He is of the opinion that the major cause of South Africa's isolation was largely due to the refusal of the South African government to adapt its internal policies to overseas demands [for black majority rule].<sup>21</sup> But according to Deon Geldenhuys, apartheid was the real inimical factor to South Africa's normal internal and external relations. Geldenhuys observed that "apartheid [had] developed into the world's number one moral issue, uniting the international community in a way few other issues [could]." He further pointed out that "apartheid [had] made South Africa the world's moral sitting duck at which virtually all governments, regardless of their own moral virtues, [felt] obliged to fire criticism".<sup>22</sup>

The third school of thought was propounded by Colin Legum, the former Associate Editor of The Observer (London) and an outstanding South African born journalist specialising on international sanctions against South Africa. He regarded international moral protest against the racial segregation policy as the main cause of South Africa's isolation in the world community. He indicated that South Africa was not the only country which practised racism, nor the only oppressive regime in the world.<sup>23</sup> Nevertheless, from his point of view, "its offence in the eyes of [the] world community [was] that it [was] the only one which [had] institutionalised racism, and which [sought] to maintain the status quo by an undemocratic form of government that exclude[d] the majority of its population from any kind of participation in the central Parliament where all its laws are made."<sup>24</sup> Legum pointed out that, to make matters worse, "this institutionalized discrimination against black people exist[ed] on the African continent itself."<sup>25</sup> Therefore, "the moral protest against apartheid [had] been the major reason why South Africa [had been] ostracised as a pariah state, a skunk among nations."<sup>26</sup> The apartheid policies thus became the major stumbling block of South Africa's normal foreign relations with the rest of the world, including the ROC at the time.

### **2.3 THE TURN OF THE TIDE AGAINST THE KUOMINTANG GOVERNMENT**

In the meantime, the tidal waves of civil war between the Kuomintang government army and the Chinese Communist forces raging in mainland China after the end of the Second World War was turning against the Kuomintang government by 1948. With newly acquired Japanese arms, handed to the Chinese Communists by Soviet troops which had declared war against Japan near the end of Second World War,<sup>27</sup> the Chinese Communist forces, in January 1948, seized the vast industrial heartland of Manchuria and launched an all-out general offensive in other parts of China.

The Kuomintang government troops, under the leadership of Generalissimo Chiang Kai-Shek, suffered a series of defeats on the battlefields of Manchuria and North China. The Kuomintang's military debacles were so alarming that Chiang Kai-shek conceded in his diary:

On all fronts, our troops have met with reverses. Yulin in Shensi and Yungcheng in Shansi have been under siege for some time, yet we have no reserves to reinforce these beleaguered towns. The loss of Shihchiachuang on the 12th [of November, 1947] has dealt a serious blow to the morale of both the troops and the civilian population in North China.... This is indeed the most critical moment for the country.<sup>28</sup>

The setback of the Kuomintang government troops on the battlefield of the post-World War II civil war in China was exacerbated by the mismanagement of the economy and alienation of public support.<sup>29</sup> The currency reform initiated by the Kuomintang government in 1948 was a disastrous failure and inflation got out of control. In Shanghai, the major commercial centre of mainland China, the price of rice (the staple food for the Chinese) increased from 300 Chinese dollars per picul (133 pounds) in the morning of November 8<sup>th</sup>, 1948 to 1000 at noon and 1800 by the dusk of that day.<sup>30</sup> Between August 19<sup>th</sup> and November 8<sup>th</sup>, 1948, commodity prices escalated twenty times.<sup>31</sup> In six months, prices rocketed 85000 times.<sup>32</sup> Starvation, corruption, hoarding and profiteering were widespread in many areas. Despite the efforts made by the

Kuomintang government to enforce requisitioning of grain at bayonet-point, as reported by the American Consul-General in Mukden, the economic situation was chaotic.<sup>33</sup> The hyper-inflation became uncontrollable and industrial production virtually stopped.

By December 1948, all Manchuria and most of North China had been seized by the Chinese Communists. Tientsin fell in January 1949 and Peking (presently called Beijing) surrendered to the Chinese Communists. In the same month, the Chinese civil war had culminated in the great battle of Hsuechow with 300 000 casualties of Chiang's elite troops.<sup>34</sup> In April 1949, the Chinese Communist forces crossed the Yangtze River and took the then capital of the Kuomintang government, Nanking. On May 6<sup>th</sup>, 1949, Chiang Kai-Shek left Shanghai for Taiwan with a view to using Taiwan as a base to continue his anti-Communist campaign in alliance with the neighbouring Southeast Asian countries, such as the Philippines and South Korea, to "combine their resources to fight the Communist menace."<sup>35</sup> On May 25<sup>th</sup>, 1949, Shanghai, the most important commercial metropolis, was taken by the Chinese Communist forces virtually without a fight. Prior to his arrival in Taiwan, Chiang had deployed a force of 300 000 troops in Taiwan with the support of a few gunboats and some planes. During the period from July to October 1949, although Chiang did pay a few short visits to the remaining Kuomintang-controlled cities such as Canton and Chungking in Southeast China to explore possibilities of a last stand against the advancement of the Communists,<sup>36</sup> the process of Chinese Civil War was drawing to its conclusion. On September 21<sup>st</sup>, 1949, the victorious Chinese Communist leader, Mao Tse-tung (Mao Zedong), declared in Peking (Beijing) that "at present, several million troops of the field armies of the People's Liberation Army (PLA) are already striking at areas close to Taiwan, Guangdong, Guangxi, Guizhou, Sichuan and Xinjiang."<sup>37</sup> On October 1<sup>st</sup>, 1949, Canton had been lost and the Chinese Communists had almost completed the conquest of the Chinese mainland.

On October 1<sup>st</sup>, 1949, Mao proclaimed the founding of the People's Republic of China (PRC) at Peking (Beijing) and declared to the international community that "this government is the sole legal government representing all the people of the People's

Republic of China.”<sup>38</sup> In his official proclamation, Mao stated that the PRC government was willing to establish diplomatic relations with any foreign government that was willing to observe the principles of equality, mutual benefit, and mutual respect of territorial integrity and sovereignty.<sup>39</sup> By the end of 1949, Communist control extended over almost all of mainland China.

Having lost control over mainland China to the Chinese Communists, Chiang was compelled to relocate the Kuomintang government and its army with a total of approximately two million people (both soldiers and civilians) from mainland China to the island of Taiwan in December 1949. However, they were not the first people to occupy the island. Before the influx of newly arrived migrants from the Chinese mainland, there was a population of 6.59 million native Taiwanese already living on the island.<sup>40</sup> Among the native population, some 160 000 were proto-Malayan indigenous aborigines,<sup>41</sup> and the remaining majority were native-born Taiwanese originating from the Chinese coastal provinces of Fukien (about 75% of the population) and Guangdong (Kwantung) (about 20% of the population). The latter group is known as the Hakka. The name Hakka means “Guest People” (Settlers). This term was given by the natives to distinguish these settlers from the local Cantonese and other natives. The Hakka people had originally migrated from North China to South China, especially Kwangtung and Fukien provinces, during 1127-1279, when Inner Asian tribesmen invaded North China. After the Taiping Rebellion (1850-1864), many Hakka migrated from South China to Taiwan, Hong Kong, Malaysia, Singapore, Thailand, Sabah, Sarawak, and even Jamaica. They speak a dialect of the ancient Chinese language, but the pronunciation is different from the modern Chinese Mandarin and Cantonese.<sup>42</sup>

Ethnically, the majority of native Taiwanese do not have striking differences from the new immigrants from mainland China. However, in terms of language, culture, history, education, colonial background, duration of settlement, development level and self-perceived identity, there are great differences between them. In the aspect of language, the said two native dialects commonly spoken in Taiwan, namely Fukien and Hakka, are

quite distinct from Mandarin, the common language of mainland China. Due to a period of Japanese rule in Taiwan (1895–1945), many older Taiwanese, including former President Lee Teng-hui, still speak Japanese. Taiwanese culture is strongly influenced by Japan and the West. A few Taiwanese elites are Christians, not Buddhists or Confucianists.<sup>43</sup>

Unlike the Chinese mainland, Taiwan had been successively colonised by colonial powers including the Dutch (in the south of Taiwan) and the Spaniards (in the north of Taiwan) from 1624 till 1662. At the end of Dutch colonial rule, the Ming Dynasty of mainland China was overthrown by the Manchu troops who established the Ch'ing dynasty. One of the Ming loyalists, Cheng Ch'eng-kung (also known as Koxinga), son of a famous Chinese pirate Cheng Chih-lung and his Japanese mistress, repelled the Dutch in 1662 and set up his own de facto government on Taiwan until 1683. When his grandson was defeated by the Ch'ing dynasty of the Manchus in 1683, Taiwan was brought under the rule of mainland China. But the official provincial status of Taiwan as one of China's provinces only commenced in 1885. From 1895 until 1945 the Japanese ruled Taiwan and tried to develop Taiwan as a showcase of modern economic growth so as to serve as a stepping stone for Japan's southward aggression.<sup>44</sup> As a result of this background, Taiwan's economic development and infrastructure were relatively more advanced and modernised compared with those of the Chinese mainland.<sup>45</sup> By contrast, the effective Chinese mainland government's rule over Taiwan from 1885 to 1894, and from 1945 to 1949 was comparatively short-lived. Colonial heritage and long-time separation from the Chinese mother polity led Taiwan to differ from the Chinese mainland in many ways.

The influx of large numbers of immigrants from the Chinese mainland into the small island of Taiwan stoked acute tension between the native-born islanders and the Chinese mainlanders. Being separated from China for a long time, the native Taiwanese had very little respect for their new Chinese rulers. The tension was further aggravated by the prevalent corruption brought about by the new rulers. The officials assigned by the Kuomintang government to take over Taiwan from Japan after the



Second World War were mostly brutal and oppressive.<sup>46</sup> The native Taiwanese were shocked by the corrupt Chinese bureaucratic system, the lack of discipline of the Kuomintang government troops, the squatting of filthy mainland Chinese soldiers in the railway stations of the island and their often blatant lootings of privately owned properties and commodities.<sup>47</sup> Before moving its seat from mainland China to Taiwan, the Kuomintang government troops and Chiang's cohorts, in particular the Kuomintang Governor Chen Yi, "had prepared their entry two years earlier by terrorising the islanders into submission."<sup>48</sup> Taiwanese riots broke out on February 28<sup>th</sup>, 1947 throughout the island, and the Kuomintang army massacred 5000 to 20 000 native Taiwanese elites.<sup>49</sup> Those who survived the massacre either went into exile or went underground to organise political opposition. This historical '2-28-Incident' had lasting negative effects on the future relations between the native Taiwanese islanders and the so-called "mainlanders", including the descendants of Chiang Kai-shek's followers from the Chinese mainland.<sup>50</sup>

After the brutal suppression of the Taiwanese rioting, Chiang relocated his government from the Chinese mainland to Taiwan in December 1949. He officially resumed his presidency in Taipei in March 1950 after his tentative stepping down as the President of China at the beginning of 1949. Under the rule of the Kuomintang government, Taiwan had once again been separated from its parent body politic, the Chinese mainland, by the consequences of the Chinese civil war. However, despite taking refuge in Taiwan, Chiang Kai-shek and his Kuomintang government never declared the establishment of the "Republic of Taiwan." He still called the political order in Taiwan, the "Republic of China" (ROC) or the "ROC on Taiwan." The Kuomintang was the ruling party of Taiwan for 51 years from 1949 until March 18<sup>th</sup>, 2000 when Chen Shui-bian, a native son of a Taiwanese peasant and former Democratic Progressive Party (DPP) Mayor of Taipei, won the presidential election.

Therefore, from 1949 onwards, China was divided into the Republic of China (ROC) on Taiwan, under the leadership of Chiang Kai-shek, and the People's Republic of China (PRC) on the Chinese mainland, under the leadership of Mao Tse-Tung, each claiming

to be the sole legitimate government of the whole China. However, the two rival governments agreed that there is only “one China” and that Taiwan is part of China; both sides were opposed to the independence of Taiwan which is a DPP platform.<sup>51</sup> The DPP, formed on September 28<sup>th</sup>, 1986 by the Taiwanese elites, is opposed to the eventual reunification of Taiwan with the Chinese mainland. The DPP’s goal is to seek Taiwan’s independent status as a sovereign state, not as part of China, or as a province of China under Chinese domination.<sup>52</sup>

In order to differentiate between the period of the Chinese republic prior to 1949 on mainland China and the period of the ROC on the island of Taiwan after 1949 (from 1949 to date), the former is referred to in this thesis as the “Kuomintang government” and the latter as the “ROC”. The different reference does not change the fact that the Republic of China was founded on January 1<sup>st</sup>, 1912 on the Chinese mainland, and that Chiang Kai-shek relocated the government of the Republic of China and its troops from mainland China to Taiwan in 1949. The purpose is solely for a clear historical overview which has nothing to do with the politics of the present cross-Straits relations.

## **2.4 STABILITY UNDER THE KUOMINTANG RULE**

In the initial stage of the Kuomintang government’s withdrawal to Taiwan, the situation on Taiwan and its offshore islands was very precarious and uncertain. In addition to the internal Taiwanese opposition, the Chinese Communists were prepared to launch an all-out invasion against the ROC and the offshore island of Kinmen (Quemoy) during 1949-1950. As the Chinese communist forces were gathered across the Taiwan Straits for an invasion, the USA government anticipated a final communist victory and the eventual crumble of the Kuomintang government. Nevertheless, with the outbreak of the Korean War in June 1950, the USA government decided to protect Taiwan against Chinese Communist attack. This decision dramatically changed the military and diplomatic situation in the Taiwan Straits. The USA Seventh Fleet was ordered to cruise along the Taiwan Straits, and military/economic aid was provided to the ROC from the 1950s. In 1954 the ROC-USA Mutual Defence Treaty was concluded. The

USA then regarded the ROC as an important ally in the global strategy of containing communism and a bulwark in the international Cold War against communist expansion. As the ROC was under the protection of the American military shield, the ROC situation began to stabilise from the 1950s. The strong USA support accorded to the ROC for her position in the world community had enabled the ROC to enjoy a period of relative stability and to conduct her normal diplomatic activities in the international arena in the 1950s and 1960s.<sup>53</sup>

The relative stability in the decades of the 1950s and 1960s also allowed the ROC ruling party Kuomintang to reform itself. The ROC leadership seemed to have learned the lessons of its failures on the mainland. Dismayed by the fall of the Chinese mainland into the hands of the Communists, Chiang Kai-shek and his son Chiang Ching-kuo started to focus on two main tasks in the 1950s and 1960s: firstly the security of Taiwan and its offshore islands, and, secondly, the recognition of the Kuomintang government as the legitimate government of the entire Chinese people.<sup>54</sup>

To achieve the first objective, the ROC government staged a combination of ruthless security measures and various reforms at home. The Kuomintang purged its corrupt elements and cleaned up its act on Taiwan in the 1950s. A relatively competent civil service was put in place to implement development plans, and an effective fighting force was created to defend the ROC. In order to consolidate its minority rule and to prevent Communist subversion and the political association of the native islanders, the Kuomintang government imposed martial law and subsequent 'Emergency Rule' on Taiwan for thirty-seven years until July 1987 when political liberalisation commenced. From 1949 to 1987, the ROC was virtually a one-party state. Most of the key posts in the Kuomintang and the ROC government were held by the Chinese mainlanders who fled from the Chinese mainland to the island. Until the 1970s, Taiwanese only held one ministerial post in the entire cabinet – the Interior Ministry. Even the Provincial governor was a mainlander. The formation of an opposition party was banned, and the freedom of press and freedom of speech were restricted.<sup>55</sup>

During this period, Chiang and his followers deluded themselves into the false belief that their sojourn on Taiwan would be temporary, and that one day the ROC would recover mainland China. They disseminated the fiction that the Kuomintang representatives who fled to Taiwan were representing all of China. They decreed that until China was unified, no new national election should take place. They also justified the Kuomintang's authoritarian rule by insisting that the ROC government was the sole legitimate government of the whole of China.<sup>56</sup>

Nevertheless, although the Kuomintang regime was authoritarian in nature, it did hold regular local elections and tolerated limited expression of Taiwanese opposition to the Kuomintang through the mechanism of popular elections for local public officials, so long as this did not pose a real threat to the Kuomintang's dominance. Apart from the benign tolerance of the persistent anti-Kuomintang sentiments and the co-opting of the Taiwanese population by means of local elections and the admission of Taiwanese to the Kuomintang membership, access to education and the economy was equal for the native Taiwanese and the mainlanders in the ROC. On the subject of the ROC and Asian economic development, Gustav Ranis, a former Frank Altschul Professor of International Economics at Yale University, wrote over 100 theoretical and policy related articles. The Kuomintang government's egalitarian policy and equal examination system, in Ranis's opinion, was one of the three important elements of the initial success of the ROC. These three elements were: (1) the initial organic nationalism (fear of mainland China); (2) the belief of secularism; (3) the practice of egalitarianism (meritocracy).<sup>57</sup> Equal opportunity and equal access, especially education, with a competitive examination system, had provided a chance of upliftment to the Taiwanese people. The foundation of social mobility and political stability was thus securely laid down. John K. Fairbank, formerly one of the greatest American Sinologists at Harvard University, endorsed Ranis's arguments. Fairbank indicated that the cleansing of the Kuomintang and the solid education of the Taiwanese population were the two most important factors for the remarkable success of the ROC's national development in the forthcoming years.<sup>58</sup> Hung-mao Tien, a well-known former professor of political science at the University of Wisconsin and the Chief Advisor of the national policy of the ROC

government, and the present ROC Foreign Minister, stated that the ROC polity prior to 1987 was basically “a modernizing authoritarian regime with strong characteristics of a one-party pluralistic system in transition towards a dominant-party system”.<sup>59</sup> In pure political science terms, Ranis agrees with Tien’s assessment. Nevertheless, Ranis emphasises that if judging from the point of participation by people in decision-making, the ROC was a fairly democratic state.<sup>60</sup>

Economically, the ROC accomplished great economic success during the period of 1951-1987 through three phases of development. In the first phase of economic development (1950-1955), emphasis was placed on land reform, controlling hyperinflation and the development of import substitution industries. The approach adopted by the ROC government was “growth with equity”, “growth with stability” and “developing agriculture by means of industry and fostering industry with agriculture.”<sup>61</sup> With an abundant skilled labour force, decent work ethics, correct government economic planning, political stability, tame trade unions and a sound economic foundation in its agriculture, the ROC economy soon moved beyond its first phase of economic development.<sup>62</sup>

From 1956 to 1972, the ROC government embarked upon a strategy of export-oriented growth. In this second phase of economic development, the ROC government adopted various measures to support the labour-intensive industries to expand export and foreign trade. These measures were reflected in the enactment of a comprehensive nineteen point Economic and Financial Reform and the Statute for Encouragement of Investment introduced in 1960 to liberalise trade, to reform the tax system, to provide tax-exemption, investment incentives, tax reduction and rebates, and favourable interest rates.<sup>63</sup> To attract foreign investment to Taiwan, the ROC government established a number of Export Processing Zones (EPZs). These EPZs offer various incentives such as tax holidays and waiving of red tape to the investors. The aforementioned policy of export-oriented growth brought about an unprecedented economic boom for the ROC from 1962 to 1971. During this period, industrial output reached 17.3 percent per annum, and per capita income more than doubled from 1965 to 1972.<sup>64</sup>

However, by the mid-1970s, the ROC economy experienced difficulties in the face of rising oil prices and the replication of the labour intensive manufacturing industry by other countries in Asia. To overcome these challenges, there was a need to upgrade the ROC industry. From 1973 onward, the ROC economy transcended to the third phase of economic development, with the promotion of high-technology and capital-intensive industry. Ten major construction projects were launched in 1972. Hsinchu high-tech industrial park, which was modelled on Silicon Valley in California, was established in 1980. The electronics, machinery and communications sectors were the leading industries of the new phase of the ROC economic development.<sup>65</sup>

## **2.5 THE ROC'S DOMESTIC AND FOREIGN POLICIES**

The ramification of the ROC's economic development in 1950s-1970s on the ROC-RSA bilateral relations was obvious. During the first phase of its economic development (1950-1955), the ROC "started out with the seeming inevitable inward-orientated, import-substitution phase."<sup>66</sup> In the early years of the 1950s, as the Chinese Communists increased control of mainland China, the adjacent market of mainland China became inaccessible to the ROC. Separated from China and Japan by the consequences of war, the island of Taiwan was dependent upon its own limited resources for survival. The influx of a large population from mainland China into Taiwan had put a greater strain on rice and other agricultural production. It was therefore necessary for the island to support, not only a provincial government, but also a national government, a large army as well as the refugee population from mainland China. The priority goal of the ROC government during this period was to concentrate on internal consolidation, emphasising agricultural growth and the development of import substitution industries to produce basic consumer goods for the domestic market. The ROC government "kept the domestic economy protected while becoming competitive to the outside first, and then later, and only gradually, reduced domestic protection."<sup>67</sup> At this stage, foreign trade and, in particular, trade with South Africa did not weigh much in

terms of the ROC government's priority. The bilateral relation with South Africa was still not important as far as the ROC government was concerned. From 1949 to 1971, the ROC was basically struggling for existence and preoccupied with internal consolidation and economic development.<sup>68</sup>

Basking in a false mirage of security and support from the USA, the Kuomintang government's national policy in the twenty years after 1950 was based on anti-Communism and the recovery of mainland China. During this period, despite the anomalous situation and the absurdity from the outside world's point of view, Chiang Kai-shek still steadfastly claimed the ROC's sovereignty over mainland China until his death at the age of eighty-seven on April 5<sup>th</sup>, 1975. To Chiang, the issue of sovereignty was not negotiable. He was constantly envisaging the eventual recovery of mainland China and the restoration of his seat of power in Nanking. The paramount goal of the ROC's domestic and foreign policies at the time was to realise Chiang's dream. Shortly after his retreat to Taiwan, Chiang pronounced on March 1<sup>st</sup>, 1950 that his basic national policy was to "consolidate the base on Taiwan in preparation for the eventual recovery of the mainland."<sup>69</sup> To him and his followers, Taiwan was not a country but a temporary military base to be used to recover mainland China. On August 14<sup>th</sup>, 1950, Chiang further elaborated his national policy of anti-Communism and recovery of mainland China in a speech by stating:

To build a prosperous Taiwan is a basic pre-condition for the success of our anti-Communist and anti-Russian campaign. No changes on the international scene, nothing the Communists may do, can prevent us from trying to recover the mainland and overthrow the totalitarian Communist tyranny.<sup>70</sup>

Even two years before his death in his 1973 New Year Day Message to the nation, Chiang still clung to the hope that only by destroying the evils of Communism, then "we [Chiang and his followers] can actually return to our ancestral burial grounds and nourish and irrigate anew the fragrant soil of our place of existence and growth."<sup>71</sup>

In order to achieve Chiang's national policy of anti-Communism and the recovery of mainland China, the primary objective of the ROC's foreign policy during the period of 1949-1971 was formulated to centre around the formation of an anti-Communist alliance with democratic countries and to solicit the support of the newly-independent Afro-Asian countries to maintain the ROC's seat in the United Nations.<sup>72</sup> This period of approximately two decades was called "the Stage of Consolidation" in the history of ROC's diplomatic development.<sup>73</sup> The focus of the ROC's diplomatic activities was to strengthen relations with the USA and the East-Asian anti-Communist countries, such as South Korea and the Philippines, to prevent the PRC from entering into the UN as well as to keep diplomatic relations with other countries. The ROC was particularly concerned with Afro-Asian states, to prevent them switching sides to recognise the PRC as the sole legitimate government of the whole of China.<sup>74</sup>

Chiang described the PRC as "the Maoist rebel regime" and "traitors and bandits."<sup>75</sup> The ROC still considered itself the sole legitimate government of all China. During the years from 1949 to 1971, the China seat in the UN was still occupied by the ROC. However, this claim was strongly challenged by the PRC, which in turn was supported by the Soviet Union and the Communist-bloc countries, to oust the ROC from the UN. Both sides viewed the seat in the UN as an important symbol of legitimacy. The rivalry between the PRC and the ROC for legitimacy was thus fought around the representation of China in the UN. Since 1950, the issue of China's representation had been brought to the General Assembly for debate annually, until 1971 when the ROC was compelled to vacate its seat for the PRC to take over.<sup>76</sup>

In this context, from 1949 to 1971, the ROC fought a crucial diplomatic battle against the PRC at the UN for the representation of China. The newly-independent Afro-Asian states, in particular the African countries, became very important to the ROC. This period saw the high tide of the decolonisation of African countries, particularly in the 1960s when more than 17 African states obtained independence. With the increasing numbers of independent African states during the 1950s and 1960s, the African countries constituted the largest block of votes at the UN. In 1961, there were 29



African countries at the UN, 33 in 1962 and in 1971, the figure rose to 43 out of a total of 128 member states. As each of these newly-independent African states was entitled to a vote at the UN – and they tended to stand united on the issues concerning Africa – there was a need for the ROC government to obtain the largest block of black African votes to safeguard the ROC's seat in the UN and thus to distance itself from white South Africa. In the period 1949–1971, the ROC government therefore preoccupied itself with strengthening its relations with the newly-independent black African countries, instead of association with white South Africa. The ROC government dedicated itself to enhance its image in the newly-independent countries of Africa. Whenever there were independence celebrations, special envoys were dispatched to attend the celebrations and to visit the neighbouring nations. In 1960, the ROC's special envoy participated in the independence celebration of Cameroon and then visited nine other African countries. In the 1960s, the ROC made strenuous endeavours in sending an average of eight delegations per year to 26 African countries to negotiate aid projects and various assistance schemes in exchange for these countries' political support.<sup>77</sup> By 1963, the ROC had established diplomatic ties with 15 of the 33 newly-independent African states.<sup>78</sup> The ROC's inroads into the African continent at the time were made in the more moderate states, particularly those former French colonies with no left-wing opposition groups or liberation movements, such as Congo (Brazzaville), Chad, Gabon, Ivory Coast, Malagasy, Senegal, Togo and Upper Volta. The more radical African countries, such as the members of the Casablanca Group which was formed by the more radically-inclined former French colonies such as Guinea and Mali and some of the Arab North African countries, and some English-speaking countries including Ghana, Tanzania and Zambia, opted to recognise the PRC.<sup>79</sup>

During the same period, the PRC also managed to establish diplomatic relations with fifteen African states so as to compete with the ROC in gaining the diplomatic support of the African states in the UN.<sup>80</sup> The rivalry of the two Chinas in the African continent was so intense that "at the height of its offensive (1964-65), the PRC initiated a major campaign to secure African recognition and support almost indiscriminately seeking relations with the African states."<sup>81</sup> The newly-independent countries of Africa thus

became an important diplomatic battle-field for “a continuation of the four-decade struggle between Chiang Kai-shek and Mao Tse-tung.”<sup>82</sup> Apart from the rivalry of the two Chinas for diplomatic recognition and support, the PRC’s entry into Africa was also partially due to “its dual objectives of opposing the Soviet Union and the United States, and of creating a new force.”<sup>83</sup> To strengthen the Sino-African relations, the PRC launched a sustained drive from all fronts: diplomatic and clandestine; conventional and unconventional; political, economic, social and cultural.

To counter the PRC’s strong thrust into Africa and also to win the support of the Afro-Asian states to enable the ROC to retain its seat in the UN, the ROC initiated the International Technical Co-operation Programmes (previously known as Operation Vanguard) in 1959.<sup>84</sup> The architect of this Operation Vanguard was Hsi-kun Yang (also known as H.K. Yang) who worked at the UN headquarters in New York for 11 years before 1959. He was later promoted to the ROC’s Vice Minister of Foreign Affairs (1966-1979) and served as Ambassador of the ROC to the RSA (1979-1989). The initial area of focus of Operation Vanguard was Africa, but this programme was later extended to the developing countries of other regions. The technical assistance rendered to Africa by the ROC during the 1960s was initially concentrated on agricultural development. Subsequently, fisheries, aquaculture, horticulture, handicrafts, industry, animal husbandry, vocational training, engineering and construction were added to the programme. In 1971, at the height of the ROC’s International Co-operation Programme, 28 technical missions were dispatched to the countries in Africa. In the same year, there were 68 countries which maintained full diplomatic ties with the ROC in contrast to 53 countries which recognised the PRC.<sup>85</sup> Among those countries which recognised the ROC, the majority were Afro-Asian states and Latin American countries. As the composition of the ROC’s diplomatic ties heavily tilted towards the Afro-Asian states, the success of the ROC’s diplomatic battle for representation in the UN largely depended on these newly-independent Third World nations.<sup>86</sup>

## 2.6 INITIAL RELATIONS BETWEEN THE ROC AND THE RSA

Even during the second phase of its economic development (1956-1972), when the ROC opted for an export-oriented strategy to promote the export of various manufactured goods produced by labour-intensive industries, the ROC relied heavily on the USA for economic aid (until 1965) and as an export market destination. The USA and Japan were the ROC's major economic partners and sources of foreign investment. In 1971, exports to the USA amounted to USA\$8.592 billion in comparison to USA\$48.412 million worth of goods exported to Africa. The whole of Africa constituted a mere 2.1% out of an annual aggregate of USA\$20.6039 billion.<sup>87</sup> South Africa was not listed as one of the ROC's major trading partners. Exports to South Africa in 1971 were only USA\$2.06 million.<sup>88</sup> In terms of the direction of the ROC's foreign trade, North America (41%), Asia (31.7%), Europe (10.7%) and the Middle East (7.7%) were the major trading markets.<sup>89</sup> The importance of the ROC's relation with the Middle East was mainly due to the ROC's diplomatic links with several Arab countries, including Saudi Arabia and these Arab countries' supply of oil to the ROC. From the above breakdown, it clearly shows that trade links with Africa, including South Africa, were relatively unimportant for the ROC's foreign trade during the 1950s to 1970s. The ROC was overly dependent on the USA for its national security, diplomatic support and economic market in the said decades.<sup>90</sup>

Because the Afro-Asian states were vociferously opposed to South Africa's apartheid policies, the ROC was not in a position to develop full diplomatic relations with South Africa before the 1970s. Its priority at this stage was to avoid offending the Afro-Asian states and to safeguard its position in the UN. In a subsequent confidential document, the MOFA of the ROC frankly admitted that the above consideration was the main obstacle to forming closer links with South Africa prior to 1971.<sup>91</sup>

This revelation explains why before 1971 the ROC – while it was still holding its seat in the UN as one of the five permanent members of the Security Council and consistently participating in various activities of the specialised agencies of the UN and inter-

governmental organisations – was reluctant to develop full diplomatic ties with South Africa for nearly two decades. The ROC obviously took recognisance of the inevitability that its growing links with South Africa would surely alienate its friendly relations with Black Africa and jeopardise its seat in the UN. Moreover, to establish alignment with South Africa might also endanger the ROC's relations with Saudi Arabia and other Arab countries in the Middle East, which supplied vital oil to the ROC for its economy.<sup>92</sup>

It was with these considerations in mind that the ROC was against South Africa's racial policies and repeatedly voted at the UN in favour of sanctions to be imposed against South Africa during the period 1948-1971. For more than twenty years, the ROC was unwilling to be associated with South Africa, or form close links with South Africa.<sup>93</sup>

When the issue of the treatment of Indian population in the Union of South Africa was raised at the UN in 1946 by the Indian delegation, the Chinese delegate not only supported the position of India, but also attacked South Africa's racial policies.<sup>94</sup> During the 1946 session of the UN General Assembly, the Chinese delegate strongly criticised the Union's treatment of Indians in South Africa by proclaiming that the question of human rights is fundamental and that the Union's laws were discriminatory in character.<sup>95</sup> He found it difficult to understand South Africa's contention that the segregation of races was not a violation of human rights. He further pointed out that there were several thousand Chinese nationals in South Africa who were classified as Asiatic and were also subject to the 1946 Asiatic Land Tenure and Indian Representation Bill.<sup>96</sup> Therefore, on behalf of the Kuomintang government, the Chinese delegate expressed the hope that the South African government could find a satisfactory settlement.<sup>97</sup> A similar stance was reiterated by the ROC representative to the UN in the 1950s and 1960s. The ROC delegates routinely voted in favour of the dismantling of apartheid and sided with the Afro-Asian states.<sup>98</sup> Although the respective delegates of South Africa to the UN, such as GP Jooste, Eric Louw and Hilgard Muller, often cited Article 2(7) of the UN Charter – outside interference in its domestic racial policies – to argue South Africa's case against the UN, the representative of the ROC, which was one of the five permanent members of the UN Security Council, nevertheless

saw things in a different light. Following the Sharpeville massacre on March 21<sup>st</sup>, 1960, the ROC representative reacted by supporting the establishment of the Special Committee Against Apartheid, voting in favour of the adoption of General Assembly's resolution 1761 (XVII) of November 6<sup>th</sup>, 1962. Furthermore, the ROC delegate also vehemently condemned the South African government with the following remarks:

What has made racial discrimination in South Africa particularly objectionable is that unlike other societies where efforts are directed to rooting out such a phenomenon, South Africa has made it an instrument of national and official policy. It is all too clear that South Africa is moving in a collision course with African nationalism, and as time passes by, the chances for a compromise solution are dwindling. It is not too late for the government of South Africa to face up to the realities of the situation and reverse a policy which is so glaringly out of step with the progress of mankind towards larger freedom, and so clearly contrary to its highest self-interest.<sup>99</sup>

In addition to the ROC government's international political considerations, South Africa's racially-based discrimination against the Chinese in South Africa was another stumbling block to the development of diplomatic relations with South Africa at the time. The Chinese had encountered racial discrimination in South Africa long before the 1948 electoral victory of the NP. From the early eighteenth century, the small number of free Chinese (as opposed to convicts or indentured labourers) in the Cape were classified as 'free blacks' along with those of African or Asian descent.<sup>100</sup> Toward the end of the nineteenth century, the two Boer Republics enacted the first state legislation to segregate Asians in separate areas. The Zuid-Afrikaanse Republiek (Transvaal) introduced Volksraad Law No.3 of 1885 stipulating that "persons belonging to one of the native races of Asia" were prohibited from being "owners of fixed property in the Republic."<sup>101</sup> One year later, this clause was amended to allow Asians to own land, but only in "such streets, wards and locations as the government for purpose of sanitation shall assign to them to live in."<sup>102</sup> In 1891, the Orange Free State passed legislation to forbid "Arabier, Chinees, Koelie of andere Aziatische kleurling" to settle in its territory.<sup>103</sup>

By the turn of the twentieth century, the free Chinese community, which numbered merely 1000, was still subjected to the restrictions of discriminatory racial legislation introduced to curb the influx of Indians, and the community was adversely affected by the 'anti-Indianism' prevalent among the white community throughout South Africa.<sup>104</sup> Anti-Indianism became anti-Asianism. Therefore, the Chinese were regarded as part of the 'Asian menace' and suffered segregationist legislation.<sup>105</sup> Even though the imperial Chinese government presented petitions to the British Secretary of State in 1902 and 1903, objecting to the structural racial discrimination, the discriminatory legislation and stringent restrictions remained unchanged in the pre-1980s period. Legal segregation and blatant racial discrimination had profound implications for the Chinese community and negative effects on Sino-South African relations prior to the 1970s. This was evident from the fact that during the 1920s and 1930s, the main task of the Chinese Consul-General in Johannesburg was to try to resolve this sticky issue. During the 1950s, 1960s and 1970s, Chinese nationals in South Africa were still strictly restrained in trade, education, public transport, property rights, freedom of movement and hospitalisation. Throughout the 1960s, Chinese were not allowed to participate in sport competitions, refused employment, turned away from white enclosures at turf clubs and denied hospital treatment.<sup>108</sup> It was impossible for a Chinese national to get a meal at a hotel in Durban, and no white hairdresser would cut the hair of a Chinese.<sup>109</sup> During the said period, even the ROC Consul-General and his diplomatic staff were not allowed to have a cup of tea or a simple lunch in Pretoria's restaurants. They were twice chased out of restaurants<sup>110</sup> and they were often humiliated. This kind of discriminatory treatment alienated the support of the ROC general public for developing closer links with South Africa. The native-born Taiwanese intellectuals were disgusted with the racial policies of South Africa even more, because of the similar pain of political deprivation that they had suffered at the hands of mainlanders. The NP government was perceived as one of the most oppressive government in the world. Therefore, some Taiwanese scholars were opposed to the establishment of diplomatic links between the ROC and the RSA.<sup>111</sup>

Due to the combination of factors discussed above, the ROC's relations with South Africa were not particularly close until after 1971. During the period 1948 to 1975, the ROC merely maintained a low-level consular relationship with South Africa. The consular relations between South Africa and China dated back to the imperial Ch'ing dynasty when the first Chinese Consul-General, Lew Yuk Lin, was assigned to Johannesburg in May 1905 to look after the interests of the 63695 Chinese labourers contracted to work on the Witwaterstrand gold mines.<sup>112</sup> Although the Transvaal colony did not send any reciprocal representation to China at the time, there was a brief appointment of an honorary South African Trade Commissioner in Shanghai on mainland China in 1937, but this was terminated in 1942 when the Japanese army invaded China. The Chinese consular position was vacant from 1910 to 1919 as a result of the repatriation of the Chinese miners in 1910 and the outburst of the 1911 revolution in China which overthrew the imperial Ch'ing dynasty. The Kuomintang government maintained its Consulate-General in Johannesburg since 1920, throughout the Second World War, the civil war period of the 1940s, and even after its retreat to Taiwan in 1949.<sup>113</sup>

The RSA also had many of its own reasons to keep its distance from the ROC throughout this period. Although the NP government had been in power for more than two decades by the end of 1960s, as a Eurocentric society, South Africa was still closely linked to the West through economic links, cultural heritage, security/defence needs, family/personal contact and other common interests. The white population was inclined to identify themselves with Western interests and shared Western values. Even in the realm of international relations, the NP government found it necessary to rely on Western powers, such as Britain and the USA, for diplomatic support. Therefore, the links with the West were far more important than the relations with the Far East.

The fear of the NP that large numbers of Chinese would migrate to South Africa to complicate the issue of Asians in the country was another important reason for the South African government to be hesitant to forge diplomatic links with the ROC. At the time when the NP government was attempting to erect the legal framework for apartheid

and to implement segregationist policies, a series of apartheid laws were introduced to prevent rapid African urbanisation and to stem the trends towards racial integration. The most notable apartheid laws were the 1949 Prohibition of Mixed Marriage Act, 1950 Population Registration Act, the 1950 Group Areas Act, the 1953 Reservation of Separate Amenities Act, 1954 Black Resettlement Act, and the 1957 Extension of University Education Act. In the aspect of South African domestic politics, the non-white racial issue, including the question of the treatment of the people of Indo-Pakistani origin in South Africa, was the most difficult issue to resolve.<sup>114</sup>

On his return from the Prime Ministers' conference held at London in 1949, the Prime Minister of the Union of South Africa, DF Malan, debriefed the House of Assembly indicating that the only subject discussed at the conference was the problem of India.<sup>115</sup> The white paranoia of Asiatic competition was heightened to such an extent that the then Minister of the Interior, TE Donges, was pressured by some white Members of Parliament, such as JR Sullivan of Berea, Durban, to restrict the entry of Indians and other Asians into South Africa. Donges acceded to the demand by taking measures to prevent "the illegal entry into the Union of the persons who are prohibited immigrants."<sup>116</sup> The said restrictions were also applied to the Chinese. For thirty years, from 1953, less than 100 Chinese were admitted to reside in South Africa.<sup>117</sup> During this period, the official policy of the South African government was "the strengthening of the European population by immigration of desirable persons."<sup>118</sup> It is clear from Donges's statement that the so-called "desirable persons" actually implied "Europeans". The immigration programme stipulated that "immigrants be limited as far as possible to elements which can be assimilated by the South African people and who by their presence would not lower either the material standard of living or the moral level of the European population."<sup>119</sup> This was the policy that had been followed since the NP came into power. However, the NP government not only took steps to reduce the numbers of English-speaking immigrants, but also formulated an official policy to control the entry of Asians, so as to protect the political power of the Afrikaners and also to find a solution for the 'Asian problem'. In 1953, Malan officially proclaimed that the protection of the indigenous people of Africa against penetration by the people of Asia was one of the



five main aims of his long- advocated African Charter. The reason why Malan highlighted the protection of Africans against Asian domination was due to the fear that Asians, and in particular Indians, might flood Africa with an enormous Asian population.<sup>120</sup> As a result of the NP's paranoia of foreign immigrants, the number of immigrants which came from the United Kingdom to South Africa had decreased from 71.6% in 1948 to 65.3% in 1949, and 47% in 1950. Interactions between the ROC and South Africa were also affected.<sup>121</sup>

In the economic sphere, from the end of the Second World War to 1974, the RSA entered an era of rapid economic progress and continued prosperity. South Africa's traditional mining sector, agricultural infrastructure, and even its manufacturing industry, experienced an unparalleled boom. During this period, South Africa's real GDP grew at an average rate of 4.9% per annum, and its average annual growth rate peaked at 7.8% in the years of 1971-1974. Many of these new enterprises were run by supporters of the NP. However, despite South Africa's traditional European economic links, and tariff protection of the local industries, goods manufactured by Japan were being offered in South Africa at half the price and were ready for immediate delivery from Japan.<sup>122</sup> As a result, there was a grave concern expressed by both industrialists and the press with regard to trade competition and the importation of cheap goods from Japan and the Far East.<sup>123</sup> The prevailing fear was that as these cheap goods were manufactured by Far Eastern countries with a much lower standard of living than that of the average South African, to allow wholesale imports from Japan and the Far East could in the long run have a disastrous impact on the country. The then Minister of Economic Affairs, EH Louw, was requested by many Members of Parliament to prevent this from happening.<sup>124</sup> The emergence of a phase of economic growth during the period of 1948-1974 gave confidence to the South African government and diminished the need to diversify its economy and to develop closer links with the ROC. The discrimination against cheap products from the Far East made it even more difficult for the South African government to venture into expanding relations with the East Asian countries, including the ROC.

## **2.7 THREATS TO THE NATIONAL SECURITY OF THE TWO COUNTRIES**

With regard to national security, both South Africa and the ROC were anti-Communist, and both were faced with the threat of communism and the looming challenge from their own majority people internally. Both were minority ruled countries: in South Africa, the white minority ruled over the black majority, but in the ROC, a minority of Chinese mainlanders dominated the native-born Taiwanese majority – albeit that these two ethnic groups are of Chinese origin and they have no colour distinction. For South Africa, however, its Communist threat was mainly from the Soviet Union and the South African Communist Party (SACP) in alliance with the ANC. For the ROC, its Communist threat was mainly from the PRC, which is the most populous country in the world (with a population of 1,2 billion), with nuclear power, and from 1971 onwards, one of the “Big Five” in the UN Security Council. Ideologically, both governments adopted a strong anti-Communist stance. South Africa’s concern about national security with regard to the PRC was focused on two broad issues: in the first instance, the PRC had provided training and assistance to the black liberation movements, in particular the Pan-Africanist Congress (PAC), one of the more radical South African black nationalist groups, compared to the ANC which was mainly assisted by the Soviet Union; secondly, in the Southern Africa arena, the PRC chose to support UNITA (Uniao Nacional para a Independencia Total de Angola), ZANU (Zimbabwe African National Union), and the construction of the Tan-Zam Railway to compete with the Soviet Union’s support for the MPLA (Movimento Popular de Liberacao de Angola), ZAPU (Zimbabwe African People’s Union) and the use of the Soviet Navy in shipping supplies into Angola. In order to stem the Communist infiltration and the insurgence of the African nationalists, South Africa made an effort to build an anti-Communist cordon across the sub-continent from Angola through Botswana, Rhodesia, Malawi to Mozambique in the 1960s. By doing so, it was hoped that South Africa’s national security could be ensured and the Western nations would accept and support South Africa.<sup>125</sup>

In order to meet the challenges posed by the PRC, during the 1950s–1960s, the ROC’s national security primarily depended on the support of the USA and other major powers,

as well as the retention of its seat in the UN Security Council. Therefore, these were the two most important objectives of the ROC's foreign policy from 1949 to 1971. Externally, there was no immediate threat to the ROC's national security, so long as the ROC was under the protection of the Cold War security alliance designed by the USA to contain the Communist bloc and the ROC's legitimacy in UN was secure. To pacify the local Taiwanese's internal dissatisfaction, the ROC would have to develop its economy and create wealth for its majority people as fast as possible. Thus the ROC regarded South Africa as of little importance during the 1950s–1960s. On the whole, before 1971, the ROC attached more importance to the newly-independent black African states than South Africa. This situation would change only after the ROC lost its seat in the UN Security Council in 1971.<sup>126</sup>

## **2.8 SUMMARY**

As a result of the above-mentioned factors, South Africa was not keen to have diplomatic ties with the ROC during the period of 1948-1974. In Charles Dickens's words, "it was the best of times, it was the worst of times... it was the spring of hope, it was the winter of despair."<sup>127</sup> To the white South Africans, this was the best of times and the spring of hope as the economy of South Africa entered into a phase of continued growth and progress. The NP not only consolidated its hold on the government, but also overcame the storms of the Sharpeville tragedy and pushed through its apartheid policies. The white-controlled sanctuary cordon of Mozambique, Angola and Rhodesia were still holding out against the escalating onslaught of black guerrillas on the last white citadels in the African continent, while the threat of international sanctions was still in the process of gathering momentum as the major Western powers were reluctant to implement comprehensive economic sanctions against South Africa for their own self-interest. This was a period of white confidence and self-assurance. The South African government became so confident that it began to make adjustments to the trend toward the decolonisation of Africa by launching major diplomatic initiatives of dialogue and an outward-looking policy in the late 1960s and

early 1970s. There was no need for South Africa to look to the Far East during this period.

In sum, from 1948 to 1971, both the ROC and the RSA were reluctant to develop full diplomatic ties with each other. As a result of the reluctance to embrace one another, relations between the ROC and the RSA were merely maintained at the relatively low level of consular links for more than two decades. During this period, bilateral relations between the two countries were not very close. Both countries were preoccupied with their respective internal and external priorities. The great cultural divide, geographical distance and South Africa's apartheid policy, as well as its colonial connections with the West, further contributed to the mutual lack of interest in expanding relations with the other side.

Therefore, while South Africa directed its attention to the West and the African continent, not much historical interaction and contact between South Africa and the ROC was recorded prior to 1971. From 1948 to 1967, no permanent South African representative or Consul was dispatched to the ROC, except a Trade Commission was opened by South Africa in Hong Kong in 1962 and it was subsequently converted to a Consulate-General in 1967.<sup>128</sup> In the same year, as the ROC experienced an export-oriented economic boom and commercial interests with the ROC increased, South Africa established a Consulate in Taipei. Three years later, it was upgraded to the level of Consulate-General, which at times assumed some diplomatic functions. During 1967 to 1976, ROC–RRSA relations were basically on a consular level. It was only in 1976 that the two countries started to exchange ambassadors and strengthen their ties.

However, it is interesting to note that after the division of China in 1949, the RSA continued to recognise the ROC on Taiwan in line with USA's policy. While the ROC was still a member of the UN before 1971, South Africa consistently voted for the ROC to keep its seat in the UN each time the issue was put to a vote. The support granted by South Africa to the ROC was due to the common anti-Communist stance of the two governments.<sup>129</sup>



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- number of Christians is around 726,000 persons. The former ROC President, Lee Teng-hui and many DPP members are Christians, as is the author and his family.
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## **CHAPTER III**

### **THE EVOLUTION OF CORDIAL POLITICAL-DIPLOMATIC LINKS BETWEEN THE ROC AND THE RSA, 1971-1994**

#### **3.1 INTRODUCTION**

This chapter presents a historical account of the development of ROC–RSA political-diplomatic links during the period 1971-1994. To survey the evolution of the interstate relations between the two countries, the first section of this chapter explores the historical background and the main factors which drew the two remote countries to engage in cordial interactions. The second section reviews how ROC–RSA political and diplomatic ties developed and examines the nature of interstate relations between the ROC and the RSA during this period. Finally, the effects and impact of ROC–RSA political and diplomatic relations on the domestic, economic and political developments of the respective countries are assessed.

The development of a close relationship between the ROC and the RSA began in the 1970s, culminated in the 1980s, and then declined from 1990 when the NP government under the leadership of President F.W. de Klerk embarked upon a new political course. The turning point of ROC–RSA bilateral relations was the year 1971, although the actual commencement of diplomatic relations between the two countries was from 1976. If we take the year 1971 as the starting point of the ROC–RSA alignment, which lasted until April 1994 when the new democratic South Africa emerged miraculously, the overall history of the close ROC–RSA ties during these years can be broadly divided into two historical phases.

The first phase, from 1971 to 1989, witnessed the gradual expansion of co-operative ties. During these two decades, the ROC and the RSA opted to expand friendly exchanges and co-operation between the two countries in various fields in lieu of the previous reluctance to embrace each other. In the time span of this phase, the two

countries enjoyed a relationship of cordial ties which were based on mutual need, sincere friendship and complementary co-operation. This period was a phase of forging close links between the ROC and the RSA.

The second phase, from 1990 to 1994, was a period of transition from alignment to uncertainty. After the unbanning of the ANC in February 1990, and the subsequent dismantling of apartheid legislation, the RSA was gradually returning to the international fold. While South Africa began to shake off the enforced isolation and to reintegrate with the mainstream of the world community, it was inevitable that the ROC–RSA ties developed during the decades of isolation, should make way for international reintegration. Under the circumstances, from 1990 onwards, the interstate relations between the ROC and the RSA entered into a stage of transition, which further degenerated into a period of uncertainty after 1994 and finally culminated in the announcement made by President Nelson Mandela on November 27<sup>th</sup>, 1996 to sever the ROC–RSA diplomatic relations with effect from the end of 1997.

### **3.2 CONSIDERATIONS FOR FORGING CLOSER TIES WITH THE RSA**

The reasons for the formation of close links between the ROC and RSA were manifold. The development of the close ties was not simply a result of the shared increasing diplomatic isolation of the two countries as many scholars have expounded.<sup>1</sup> The increasing isolation was merely one of the factors which led the two countries to forge closer ties both politically and economically through the 1970s and the 1980s. To understand the historical evolution of the relations between the ROC and the RSA, there is a need to review other important contributing factors during the period 1971-1989.

The first and foremost factor was the removal of the ROC from the UN in 1971. Freed from the annual diplomatic battle for the China seat at the UN, the ROC did not need the African votes any more. Therefore, the African countries became relatively

unimportant in comparison with the RSA which was the strongest state economically and militarily in the sub-continent south of the Sahara. This gave the ROC the freedom and opportunity to strengthen bilateral relations with the RSA for the benefit of economic development, trade and the supply of minerals. The ROC former Deputy Minister of Foreign Affairs, Chien-jen Chen, gave the following brief explanation:

After the ROC was ousted from the UN, the political consideration that by associating with the RSA, its apartheid policies might lead the ROC to offend other black African countries was removed, and the ROC's foreign policy towards the RSA was less influenced by factors of political stance. Therefore, we established ambassadorial-level relations with the RSA.<sup>2</sup>

The second factor was the change of American policy towards the ROC. The foundation of the ROC's security status and legitimacy was built on American support. As soon as American backing was downgraded, the future of the ROC became uncertain and it needed to form closer association with other isolated countries such as South Africa for various purposes. The ousting of the ROC from the UN was largely as a result of the changes of American policy towards the ROC.<sup>3</sup> The fate of the ROC, a small state, is basically dependent upon the distribution of power within the international system, which is shaped, by major powers like the USA.

The survival of the ROC, as explained in Chapter II, was mainly reliant on the USA's support. The full support of the USA, which was given to the ROC after the outbreak of the Korean War in June 1950, lasted for two decades. From the 1950s to the 1960s, when the USA was facing a concerted Soviet-PRC Communist challenge, the USA considered the ROC as an important part of the littoral islands extending from the Aleutians through the Philippine Archipelago to contain Communist expansion. Hence, a defence treaty was concluded between the USA and the ROC in 1954 under the Eisenhower administration, and the two countries maintained close ties and military co-operation. During the Vietnam War, Ching Chuan Kang Air Base in the middle of Taiwan was used by USA military cargo jets as a way station to provide military supplies

to the USA troops in Vietnam. Intelligence listening posts and aircraft repair facilities were established in the ROC to assist American military activities.<sup>4</sup>

In direct contrast to ROC-USA alliance, the PRC had signed a treaty of alliance with the USSR in February 1950 and a PRC-USSR defence assistance agreement was concluded in October 1957. The PRC considered the USSR as its primary source for political support and military aid in the 1950s and at the beginning of the 1960s. However, PRC-USSR relations turned sour in the latter part of the 1960s. Apart from the ideological differences of the two major communist countries, the split was partly due to Mao's independent self-reliant development strategy.<sup>5</sup> In line with his revolutionary strategy, Mao intended to induce the leader of the USSR, Nikita Khrushchev, to assist the PRC to become a nuclear power. However, Khrushchev was reluctant to help Mao, unless the PRC allowed Soviet military forces to establish nuclear bases in mainland China. Mao refused to accept the Soviet's demands, and instead he pursued an independent nuclear programme.<sup>6</sup> In the aspect of economic and political development, Mao also discarded the Soviet economic/political model and initiated the unprecedented gigantic social engineering of the so-called "Great Leap Forward" from September-October 1957 to July 1959. At its zenith, the whole country was transformed into "people's communes" which were expected to be self-sufficient and produce steel. The Soviet-trained steel engineers were redeployed to work in agriculture. The economy and steel industry were in a mess.<sup>7</sup> From 1957 for nearly twenty years until Mao's death in 1976, Mao inflicted great disasters on Chinese society, in particular during the period of "the Great Proletarian Cultural Revolution" (1965-1969). Mao's eleven million Red Guards, with the support of the People's Liberation Army (PLA), had virtually destroyed Chinese culture and the PRC's governmental hierarchy. The violent excesses of Mao's Cultural Revolution were so serious that the ten years from 1966 to 1976 were widely perceived as "the lost decade."<sup>8</sup> The history of the PRC, from its founding in 1949 until the death of Mao in 1976, underwent "a series of jolts and internal struggles."<sup>9</sup>

The Sino-Soviet strain was, in part, attributable to Mao's adventurism. This was reflected by Mao's military intervention in the Korean War (1950-1953) and his ordering of a heavy bombardment of Quemoy and Matsu, the islands of fortified outposts under the control of the ROC military forces, in July 1958. Khrushchev was alarmed by Mao's adventurism, and Mao was deeply disappointed by the lack of support from the Soviet Union in his failed "liberation" of Taiwan, the ROC.<sup>10</sup> Khrushchev regarded Mao as "a madman who would wreck his country and blow up the world if he had means."<sup>11</sup> The troubled Sino-Soviet relations were further exacerbated by historical border disputes which culminated in armed clashes in April 1969 over the disputed islands in the Ussuri River in Manchuria.

While the Sino-Soviet hostility was deepening, a dramatic change in the relationship between the USA and the PRC was about to take place. The USA foreign policy of diplomatic non-recognition of the PRC, which lasted for nearly two decades from the 1950s to the 1960s, was soon to be replaced by a policy of normalisation of relations with the PRC. As the USA was bogged down in the Vietnam War, President Richard Nixon, after winning a narrow presidential electoral victory in 1969, was keen to seek the co-operation of the PRC on a negotiated settlement in the Vietnam conflict. The PRC not only provided vital military supply, economic aid and diplomatic support to North Vietnam, but also wielded considerable influence over the insurgent forces such as the Viet Cong forces, Pathet Lao and Cambodian communists in South-East Asia.<sup>12</sup> To achieve a face-saving disengagement in Vietnam, there was a need for the USA to establish relations with the PRC.

Furthermore, there was growing international acceptance of the fact that, as the Chinese Communists government has been in long-term effective de facto control of mainland China since 1949, it was the PRC on the mainland, and not the ROC on Taiwan, which was the legitimate government of China. There was also a growing awareness in the world community that with its enormous size, population and military power, the PRC was an important country in the international political system. While the PRC was gradually recognised as an important power, the PRC began to readjust

its foreign policy. After the period of Sino-Soviet alliance in the 1950s and its isolationism and identification with the third world in the 1960s, the PRC adopted a pragmatic approach since the 1970s to improve its image and to seek modernisation so as to form a global coalition against perceived Soviet expansionism.<sup>13</sup> Beijing's new approach and its open door policy led many non-communist countries to normalise relations with the PRC forfeiting diplomatic relations with the ROC.

The change of international perception of the PRC was coupled with the emergence of the great power triangle of the USA, the USSR, and the PRC. Following the occurrence of an open schism between the PRC and the USSR, the new strategic balance of power of the post-war world had shifted. The previous bi-polar system was changed into a pattern of triangular relations. Among the great power triad, the USA viewed the USSR as the major threat, and the PRC a lesser enemy. To exploit the intensifying Sino-Soviet rivalry, the Nixon administration contemplated playing the "China card", so as to prevent the USSR from achieving its global hegemony.<sup>14</sup> It was the above-mentioned strategic tactics that led the USA to formulate the policy of normalisation of relations with the PRC and to co-opt Beijing from 1970 onwards.

In 1971, the USA made a complete change in its China policy. Nixon was determined to normalise relations with the PRC and to phase out the USA-ROC diplomatic relations. On July 15<sup>th</sup>, 1971, an announcement was made by the White House that Henry Kissinger, the then Assistant for National Security Affairs and later the Secretary of State of the USA, had made a secret trip to Beijing from July 9<sup>th</sup> to 11<sup>th</sup>, 1971 to have talks with Chou En-lai, the then Premier of the PRC. Thereafter, Nixon decided to pay a state visit to the PRC in February, 1972.<sup>15</sup>

The decision of the Nixon administration to play the "China Card", or rather "equilibrium" as Kissinger named it,<sup>16</sup> had enormous repercussions on the international relations of the ROC and the retaining of its seat in the UN. The change of the USA policy towards the PRC and the China initiative were construed by many smaller countries in the world community as the imminent dumping of the ROC and the diminishing of the ROC's

importance. The ROC's claim to represent China was viewed as fiction of anti-Communist ideology and the USA treated the ROC as dispensable. As a result of the change of USA policy towards the ROC, the USA government's "Taiwan fever" was "immediately replaced by a nearly unquenchable yearning of senior officials to visit Beijing on suddenly essential business."<sup>17</sup>

In the face of such a major shift in the USA's China policy, the ROC leadership, however, still stubbornly adhered to its "One China" policy and rejected the proposals for "dual representation" made by the USA. This would have admitted the PRC to the UN, while the ROC would still have been allowed to remain in the General Assembly of the UN as a separate member in a similar situation to West and East Germany in the past. Nevertheless, the then Ambassador of the ROC to the USA, James Shen, was instructed by the ROC government to call on Kissinger on July 1, 1971 before his secret trip to Beijing to lodge "an extensive objection to the State Department plan for "dual representation", which would have attempted to admit Beijing to the UN without expelling Taiwan."<sup>18</sup> However, despite the upholding of the facade of the "one-China" policy, the ROC government had, after the passing away of the mainland Chinese leaders on Taiwan, already modified this rigid official stance in terms of its de facto practices behind the official facade. But the PRC still insisted that there was "but one China" and that "Taiwan is part of China."<sup>19</sup>

The shift of the USA's policy towards the PRC together with the rigid stance of the ROC leadership eventually led to the latter's loss of international recognition at the UN. As the annual debate at the UN on the issue of the representation of China approached in 1971, the timing of the debate coincided with Kissinger's second trip to Beijing in October 1971 to make arrangements for Nixon's forthcoming visit to the PRC. The USA government's declared policy of normalising relations with the PRC had effectively swayed the outcome of the debate in the UN General Assembly and its subsequent voting. It became apparent to other countries that the USA was eager to embrace the PRC. The USA's new advocacy of the PRC's admission into the UN, but preserving the ROC's seat in the form of "dual representation" further increased the PRC's support.

However, both the PRC and the ROC flatly rejected the American proposal of “dual representation”. The then Premier of the PRC, Chou En-lai, confirmed with Kissinger during his visit to Beijing that the PRC would not accept “dual representation” in any form, and Chou indicated that “the PRC had existed for a long time without membership in the UN and could wait a while longer.”<sup>20</sup> The leader of the ROC, Chiang Kai-shek, also rejected the formula of “dual representation”. This was evident from Chiang’s instruction to his Ambassador to lodge a protest to the USA as described above. Consequently, it became increasingly clear to many countries which were anxious to establish relations with Beijing that the formula of “dual representation” proposed by the USA was no solution to the problem of China.

Many countries also recognised the inevitability of the PRC’s admission into the UN. As the most populous country in the world and a great power in terms of its size and its military strength, so long as the PRC was not in the UN, the universality of the UN international representation was not complete. There was a common belief that it might be possible to delay the PRC’s entry into the UN for a year or two, but there was no way to keep the PRC out of the UN forever. Therefore, many countries saw fit to jump on the bandwagon and to extract some political advantage from supporting the admission of the PRC into the UN.

The end result of the voting at the twenty-sixth session of the UN General Assembly on October 26<sup>th</sup>, 1971 was that the American draft resolution was defeated and the draft resolution no. 2758 (XXVI) put forward by Albania, Algeria, Cuba, Iraq, Zambia, Tanzania, Pakistan, Romania and other pro-PRC countries to expel the ROC and to admit the PRC into the UN was adopted by 76 votes in favour to 35 against, with 17 abstentions.<sup>21</sup> The above-mentioned UN resolution no. 2758 (XXVI) stipulated that the UN would recognise the representatives of the government of the PRC as “the only lawful representative of China to the United Nations and that the People’s Republic of China is one of the five permanent members of the Security Council.... and to expel forthwith the representatives of Chiang Kai-shek from the place which they unlawfully occup[ied] at the United Nations and in all the organisations related to it.”<sup>22</sup> Knowing



that the proceedings had taken an irreversible course against the ROC, the ROC delegation withdrew from the UN General Assembly before the adoption of the Albanian draft resolution which was passed by the UN General Assembly on October 25<sup>th</sup>, 1971.<sup>23</sup>

Nonetheless, it is worth noting that during the crucial voting on the representation of China, the South African delegation voted in favour of the American proposal of “dual representation” and against the expulsion of the ROC from the UN.<sup>24</sup> The main reason for the RSA’s support for the ROC was explained by the Department of Foreign Affairs of the RSA as follows:

From our point of view, however, we can derive no comfort from Beijing’s presence in the United Nations. There is little doubt that she and the Soviet Union will try to outdo each other in currying favour with the Africans and since she is already hand in glove with some of the extremists on the African continent, who also happen to be our most hostile adversaries, namely Tanzania and Zambia, it requires little imagination to be able to forecast the role which she will be playing in matters concerning us in the United Nations.<sup>25</sup>

The withdrawal of the ROC delegation in October 1971 from the UN General Assembly marked the end of the ROC’s participation in the UN. The loss of the ROC’s seat in the UN also resulted in the further deprivation of membership in all UN Specialized Agencies and affiliated organisations. The ROC was successively forced to withdraw from all but ten international governmental organisations. Among these ten international governmental organisations, the Asian Development Bank (ADB), the Asian-Pacific Economic Council (APEC), the Pacific Basin Economic Council, the International Criminal Police Organization (INTERPOL), the International Union for Publication of Customs Tariffs, the Permanent Court for Arbitration and the General Agreement on Trade and Tariffs (GATT) are or were of relative importance. Hence, the only avenue available to the ROC was to encourage its citizens to join the 781 non-governmental international organisations, including the International Olympic Committee, so as to

expand interaction with the outside world.<sup>26</sup> As a result of the deprivation of its international legitimacy, the ROC had entered a historical period of unprecedented isolation in terms of its participation in international governmental organisations since 1971.

In terms of bilateral diplomacy, following the ousting from the UN, the ROC's diplomatic isolation also deepened rapidly. During the two months from the ROC's withdrawal from the UN on October 25<sup>th</sup>, 1971 to the end of 1971, there were five countries (Belgium, Mexico, Peru, Ecuador, Lebanon) which severed diplomatic relations with the ROC.<sup>27</sup> If we take the whole of 1971 into account, 12 nations derecognised the ROC in that year alone. In the wake of Nixon's visit to the PRC in February 1972, the situation deteriorated further, as another 15 countries switched diplomatic recognition to the PRC.<sup>28</sup> It was estimated that 45 percent of those countries which had diplomatic relations with the ROC prior to 1971 had switched ties to the PRC during the period 1971-1973. In the years after 1972, the ROC was further buffeted by a series of diplomatic setbacks. In the five year span from 1972 to 1977, 34 countries forsook the ROC to establish diplomatic ties with the PRC.<sup>29</sup> By the end of 1977, there were only 23 countries which maintained full diplomatic links with the ROC compared to a total of 68 states which had diplomatic missions in Taipei at the peak of the ROC's foreign relations in 1970.<sup>30</sup> Further serious diplomatic adversity ensued in 1979 when the USA terminated its diplomatic relations with the ROC and recognised the PRC instead. From 1979 to 1992, an additional 10 states abandoned the ROC for the PRC. By the end of 1992, a total of 49 countries had switched recognition to Beijing.<sup>31</sup> The ROC's diplomatic/political isolation was acute, although it still registered 29 diplomatic ties by the end of 1992.

The most serious blow to the ROC was the breaking of diplomatic relations with the USA, its only protector and principal trading partner. Following Nixon's trip to Beijing in late February, 1972 and the signing of the Shanghai Communiqué on February 27<sup>th</sup>, 1972, the then USA president, Jimmy Carter, made an announcement on December 15<sup>th</sup>, 1978 to the effect that from January 1<sup>st</sup>, 1979, the USA would switch recognition

from the ROC to the PRC and terminate the 1954 ROC-USA Mutual Defense Treaty. Despite the legislation of the Taiwan Relations Act (TRA) enacted by the USA Congress in March 1979 to regularise the essential ROC-USA relations, a de facto moratorium of arms sales was imposed on the ROC by successive administrations of the USA. This moratorium was further put into a formal joint USA-PRC Communiqué signed on August 17<sup>th</sup>, 1982. In accordance with this Communiqué, the USA was to gradually reduce its sales of arms to the ROC, leading over a period of time to a final settlement of this issue.

It was only after the loss of diplomatic recognition of the major countries in the world community that the ROC government realised the mistake it had made before the 1970s. During this period, the ROC government had persisted with the “one China” policy. Those nations that chose to recognise the PRC were deemed to be unfriendly and the bilateral diplomatic relations were severed by the ROC. The leaders of the ROC also flatly rejected the “dual recognition” proposal. This non-compromising stance and ideologically rigid diplomacy had a negative effect on the foreign relations of the ROC. Many scholars believe that if the ROC had adopted a more flexible approach to contend with the PRC in the international arena, it would have been possible for the ROC to avoid diplomatic isolation.<sup>32</sup> But it was too late for the ROC to alter its policy when 120 nations had switched sides. By that time, the ROC’s only alternative was to innovate a new mechanism to interact with the major powers and to formulate a more realistic and unorthodox diplomacy.

During the years 1971-1992, although the ROC recouped diplomatic recognition from 19 countries including the RSA, these were mainly micro states in the Caribbean and the South Pacific. Other countries that continued to recognise the ROC were mostly relatively poor developing countries in Latin America and on the African continent.<sup>33</sup> (For a complete list of the ROC’s diplomatic networks see Table 1). Most of the major powers, such as the USA, Britain, France, Germany, Canada and Japan, had replaced the lost conventional diplomatic links with the ROC with unofficial or semi-official relations. They established representative offices or quasi-embassies in Taipei, and

vice versa, to handle the bilateral political, trade, economic, financial, cultural, technological and consular exchanges. (For the details of the ROC's unofficial networks see Table 2). In the ROC official circle, the euphemism for these informal ties is called "substantive relations".<sup>34</sup> It is through the devising of an unorthodox system of interaction with other states that the ROC is currently able to succeed in maintaining, and even expanding, trade and various other ties with more than 92 countries worldwide.<sup>35</sup> Since this dissertation is mainly concerned with the evolution of ROC–RSA bilateral relations, the details of the ROC's external relations will be left to other scholars for further research.

In a nutshell, the PRC managed to unseat the ROC from the UN and imposed enforced diplomatic/political isolation on the ROC in the world arena after 1971. However, the PRC failed to cut off the ROC's "substantive relations" with the outside world. The ROC was flexible enough to find its own way for international survival and to look beyond its traditional allies for friendly partners elsewhere.

The third factor contributing to the ROC's forging of closer ties with South Africa was the ROC's deep sense of betrayal by the USA, as well as the need for national security and national survival. The people and the government of the ROC were both disillusioned and angered with the American policy of normalisation with the PRC. For the people of Taiwan, they were deeply shocked to learn of the announcement of the Shanghai Communiqué which was issued by the USA and the PRC on February 28<sup>th</sup>, 1972, Beijing and Taipei time (but February 27 Washington time).<sup>36</sup> The timing of the announcement might have been just a coincidence, or sheer ignorance on the part of the USA government of Taiwan's history. However, it was on the date of "February 28<sup>th</sup>" of 1947 that the mainland Chinese (Kuomintang) troops massacred 5000 to 20 000 native Taiwanese elite during the so-called "February 28<sup>th</sup> Uprising".<sup>37</sup> The Taiwanese could never forget this historical wound which had not yet been properly healed. The choice of the date for making such a major policy announcement was like putting salt onto the historical wound. Moreover, for the Taiwanese islanders, the USA declaration of "one China" and Taiwan as part of China rang the death knell of their long-cherished

hopes for the sovereignty or self-determination of Taiwan. The Taiwanese people felt that they had been stabbed twice in the back by their American ally. The first letdown was in 1947, when the Kuomintang's mainland Chinese troops killed the Taiwanese and the islanders reeled under the Kuomintang's authoritarian rule. Instead of helping the Taiwanese people to win their right to self-determination, the USA supported the Kuomintang for strategic reasons and said nothing, while the Taiwanese elite were suppressed by the Kuomintang.<sup>38</sup> Second, Kissinger and Nixon's visit to the PRC and Carter's subsequent establishment of diplomatic relations with the PRC, were seen by the people of Taiwan as an act of abandonment.<sup>39</sup> They generally felt let down by the USA.

The government of the ROC also felt betrayed by what they perceived of as an old ally. The ROC leadership was deeply annoyed by the American government's apparent lack of concern for the sentiments of the ROC government. The then ROC President Chiang Ching-kuo, the eldest son of Chiang Kai-shek, was informed of the USA's normalisation of relations with the PRC by being roused from his sleep at 2 a.m. on December 15<sup>th</sup>, 1978. The announcement was made in the middle of an important national election which was subsequently suspended by Chiang Ching-kuo.<sup>40</sup> A few months later, when Zbigniew Brzezinski, Carter's Adviser on National Security, visited Beijing in May 1979, he entered the PRC on the same day that the then ROC president, Chiang Ching-kuo, had been inaugurated president in Taipei one year previously.<sup>41</sup> These events were not necessarily intended to deliberately hurt the ethos of the ROC's leadership or to reflect American special support for the PRC. Nevertheless, the sentiments of the government and people of the ROC were deeply offended by the American government's lack of concern for the ROC's psyche and dignity.

Deeply affronted by the abrupt change of American policy, the question of national security, national survival and national prestige became the guiding principles of the ROC's foreign policy. As both the ROC and the RSA were anti-Communist and both felt they had been abandoned by the Western democracies, the two countries shared a

common interest of banding together to devise a strategy of security against their perceived enemies.

In the absence of American protection and knowing that American arms sales to the ROC would be discontinued in the long run, the ROC government was determined to avoid its past mistakes of being used as a bargaining chip by the great powers and a passive party serving American strategic interests. The ROC leaders were keen to initiate a new strategy to safeguard the ROC's own destiny. For the sake of survival, both the ROC and South Africa needed to ensure their national security and to quest for international status and the legitimacy of their relevant governments. The most important dimension of national security for a state is national defence. As regards national defence, by 1975, the ROC's fighters and naval equipment were ageing.<sup>42</sup> The ROC military was in need of advanced military armaments and self-sufficient technology to counter the Chinese Communists' threat during the 1970s to the 1980s.<sup>43</sup> In order not to provoke the PRC, the Carter administration was reluctant to sell the more advanced weapons and military products to the ROC.<sup>44</sup> Therefore, the ROC was eager to implement military co-operation with the RSA.

The fourth factor contributing to the ROC's forging of closer links with the RSA from the 1970s onwards was the economic need. The economies of the two countries were complementary. Despite its racial problems, South Africa was the leading industrial country in the southern African region. South Africa is rich in natural resources, but its manufacturing sector was not as competitive as that of the ROC. The ROC needed access to South Africa's markets as well as its maize, wood pulp, coal, gold, basic metals and minerals, including uranium, to develop the ROC's economy. On the other hand, the RSA needed the capital, expertise, and investments from the ROC, in particular its extensive and diversified manufacturing industries, to create jobs for its massive unemployed black population.

This mutual economic need coincided with the high tide of the relocation of Taiwanese industries to overseas areas. By the 1970s, the labour costs and land prices for

industry in the ROC were rising. Following the gradual political, economic, social and cultural changes which took place in Taiwan, after the death of Chiang Kai-shek in 1975, a continuing process of modernisation and democratisation began to unfold in the ROC. Taiwan was rapidly becoming a pluralistic society. An organised political opposition movement had been formed in 1979. The ROC was in transition from a one-party state towards a democracy. While the ROC was struggling with growing international isolation, pressures were exerted on the ROC government by the Taiwanese people to accelerate the pace of domestic political reform so that the ROC's status in the world and internal demographic composition could be more realistically reflected. The increasing international isolation and deteriorating diplomatic prospects had not only eroded the fictitious claim of the ROC's legitimacy as the sovereign government of China, but also endangered its existence as a country. These problems were compounded by labour shortages, militant independent trade unions, strikes for higher wages, the appreciation of the Taiwanese currency (the NT\$) during the 1980s and the emergence of strong foreign competition from Hong Kong, South Korea and other Newly-Industrializing Countries (NICs) for overseas markets, particularly in exports of clothing and footwear. The ROC could no longer base its economy on exporting low cost, low value-added consumer goods produced by labour-intensive industries. To salvage its economy, it became necessary for the ROC to move beyond labour-intensive export-led economic growth and to embark upon the transition to a new phase of economic development focusing on the promotion of high-technology and capital-intensive industries from the mid-1970s to the 1980s.<sup>45</sup>

Consequently, many Taiwanese manufacturers in labour-intensive industries chose to move their assembly lines to the Chinese mainland and other parts of the South East and the East Asian regions to maintain their international competitiveness. Some saw an advantage to relocate their factories and equipment to South Africa particularly the homeland regions. The investments of the Taiwanese entrepreneurs in South Africa were largely due to their economic needs, which had nothing to do with South Africa's politics. They were attracted by the abundance of unskilled cheap labour, the incentives

of an industrial decentralisation scheme, the unpolluted living environment and good educational system in South Africa.<sup>46</sup>

The fifth factor, which played a role in bringing these two countries together, was the mutual interest in nuclear collaboration. Both the ROC and the RSA were trying to develop independent nuclear energy production in the 1970s and the 1980s.<sup>47</sup> There were for example aspects of mutual interest in terms of the refining of uranium for nuclear fuel. As the ROC lacked sufficient energy resources, and its own limited hydropower coal and natural gas reserves could not meet the increasing energy consumption, the ROC needed to import a large quantity of oil from the Middle East for power generation.<sup>48</sup> But the cost of oil had suddenly quadrupled in the first oil crisis of 1973. The ROC was hard hit by the oil price hike, which spanned the years to 1976.<sup>49</sup> In view of the dramatic change of the American policy towards the ROC, it was feared that the USA might impose a nuclear fuel embargo on the ROC, if it intended not to subordinate itself to American political dictation. Therefore, there was a need for the ROC to proceed with its nuclear power programme and to collaborate with the RSA for an assured supply of uranium, so as to stockpile nuclear fuel for its future demands.<sup>50</sup> As for the RSA, it required the ROC's nuclear expertise, equipment and financing of the project.<sup>51</sup>

The sixth factor, was the importance of the RSA's strategic location, its relatively large landspan and long coastline with abundance of fishery opportunities, together with its fairly advanced agriculture, veterinary research and the various scientific and technical developments. Left with less than 30 poor minor diplomatic allies, the ROC was desperately searching for formal ties with some medium-sized countries with abundant resources and a certain degree of influence and standing in the international community so as to enhance its claim that the ROC is a formally recognised state with acknowledged international status. Based on these criteria, South Africa qualified as a desirable partner. Co-operation in the fields of transport links, fisheries, agriculture, medical services, science, loans and technical transfers between the two countries, thus



became some aspects of the basis of ROC–RSA association which was beneficial to both party’s self-interests.<sup>52</sup>

For the ROC’s diplomatic operations in the region of southern Africa, the RSA’s geographic location was of special importance to the ROC. The RSA is the hub of the region of southern Africa and as it shares common boundaries with Botswana, Lesotho, Swaziland (BLS countries), Mozambique, Zimbabwe (Rhodesia) and Namibia (South West Africa), it was regarded by Taipei as a springboard and a centre of logistical support for its diplomatic operations in the region. This was particularly necessary when the ROC was still maintaining full diplomatic ties with the BLS countries in the 1970s, because Lesotho and Swaziland are enclaves within the RSA. These three countries are members of the South African customs union and they are economically dependent on the RSA. Despite the lack of direct diplomatic representation between the RSA and the BLS countries before the 1990s, the RSA still retained some influence over these countries. To consolidate the ROC’s diplomatic relations with these neighbouring countries and to utilise the RSA as the stepping stone in the region, the ROC government saw the necessity of establishing diplomatic links with the RSA.<sup>53</sup>

It was mainly the above-mentioned five factors which induced the ROC government to expand diplomatic and economic ties with the RSA from the 1970s. As for the government of the RSA, Pretoria also regarded the ROC as the springboard of its diplomatic operations in East Asia. Before 1992, the ROC was the only Asian country that maintained full diplomatic relations with the RSA, along with the three South African consular missions in Hong Kong, Japan, and Australia. As the international sanctions against the RSA were intensified, the position of the ROC and the ROC–RSA relations became even more important to Pretoria. Ever since the establishment of diplomatic relations with the ROC, the RSA has attempted to use Taiwan as “a bridgehead for Pretoria to expand its contact and collect information about the Far East.”<sup>54</sup>

### 3.3 EVENTS WHICH LED TO THE RSA'S CHANGE OF POLICY TOWARDS THE ROC

While we saw a dramatic change in the ROC's foreign policy pertaining to the RSA, a combination of events also led the white dominated RSA government to change its attitude towards the ROC after 1971. For South Africa, the period of the 1970s witnessed the shattering of white confidence by unexpected domestic and external setbacks.

In the external setting, South Africa's search for Western alliance and support proved futile. In 1961, South Africa had withdrawn from the British Commonwealth and many other international organisations in the ensuing years. The white-controlled cordon of security in the southern African region was broken by the Portuguese withdrawal from Mozambique and Angola as a result of the 1974 coup. The independence of Mozambique and Angola in 1975 came as a bitter shock to the white minority government. As soon as Mozambique obtained its independence, Samora Machel's Marxist government began to provide assistance to African nationalist guerrillas. Ian Smith's Rhodesia was on the brink of crumbling. The civil war in Angola was spreading to the border of South West Africa. The tide of African liberation was rolling towards South Africa's doorstep. The South African intervention in Angola turned out to be a debacle. The regional balance of power was thus shifted, and the presence of Cuban troops complicated these regional conflicts. The entire external buffer zone was almost lost. South Africa stood isolated on the continent of Africa. The then South African Prime Minister, B.J. Vorster's "détente" initiative was short-lived and the external security threats to the RSA's white rule were intensified.<sup>55</sup>

In the domestic setting, following the collapse of Portuguese colonial rule and the regional upheaval, militant black youths were motivated to challenge white dominance in 1976 starting in Soweto and then across the country. The South African government's harsh repression of the black revolts during the uprising of 1976 and the death of Steve Biko in September 1977 had not only stoked violent opposition, but also

led to the intensification of international pressures against South Africa. After 1975, the withdrawal of the European colonial powers had increased the RSA's conflicts with its African neighbours. These confrontations, in particular the intervention in Angola, added extra elements of friction between the RSA and the international community. As a result, South Africa became more isolated.<sup>56</sup>

Meanwhile, the domestic political unrest had also exacerbated South Africa's international relations and the development of her economy during the 1970s. The suppression of black opposition provoked calls for more stringent sanctions to be imposed on the RSA. The advocates of sanctions organised various campaigns to mobilise support and a wide range of international organisations passed resolutions to enforce sanctions against South Africa. A case in point was an embargo on oil supplies to South Africa, which was adopted by the Arab OPEC (Organization of Petroleum Exporting Countries) states in 1973 at the request of the OAU in spite of the objection of the Shah of Iran. A growing number of countries were in the process of imposing sanctions or restrictions on air links and exports of high technology goods, such as computers to South Africa, and/or on selected imports from South Africa, particularly of Kruger rands, iron, steel, coal, uranium, agricultural products and textiles. The often-cited perception of South Africa's as an economic powerhouse and her strategic importance faded away. The RSA was no longer regarded as vital to the West. There was widespread abhorrence of apartheid among the Western countries, and world opinion was shifting towards the imposition of sanctions on the RSA.<sup>57</sup>

The South African economy was also affected by the political upheaval. Foreign investor confidence was undermined and a second wave of capital flight and disinvestment (the first had been after the 1960 Sharpeville shootings) was sparked off by the serious 1976-1977 black uprisings. As foreign investment was declining, the RSA was increasingly relying on foreign loans. The troubled economy was aggravated by the falling gold prices, which fell to USA\$275 an ounce in mid-1979.<sup>58</sup> As a result, South Africa's economy was dragged into a recession from 1974 to 1978. Consequently, in the ten years after 1974, South Africa's average economic growth rate

dropped from 5.5% per annum in 1960-74 to 1.9% in 1974-1984.<sup>59</sup> South Africa could no longer rely on its traditional Western allies to provide credit, investment, military equipment and technology – access to these essential ingredients for national survival was mostly restricted.<sup>60</sup>

In sharp contrast to the RSA's situation, the ROC's work ethic, its political stability and the effective policies by the ROC government had enabled the ROC to accomplish the tremendous achievement of industrialisation within the three decades from the 1950s to the 1970s. The main financial source of investments was largely domestic savings, rather than USA aid. By 1965, 86% of finance for investment was from domestic savings.<sup>61</sup> From the 1970s onwards, the ROC has already become a capital exporting country and one of the economic "tigers" of East Asia. The Pacific Rim had suddenly become an "economic giant" with a huge transfer of entrepreneurs and investments emanating mainly from East Asia to various areas.<sup>62</sup>

As the ROC had gradually become a creditor nation, this made it look quite attractive to the RSA, despite the great cultural divide and geographic distance between the two countries. In order to preserve its national security and to survive all perils in a hostile international environment, there was a need for South Africa to search for fellow isolated states, such as Israel and the ROC, for the needed mutual advantages of diplomatic and economic alignments, trade, investment, technical co-operation and mutual benefits of other relevant joint projects. To this end, both the ROC and the RSA were prepared to readjust their traditional foreign policies of reluctance to embrace each other and to sail into uncharted waters after 1971.<sup>63</sup>

### **3.4 THE EVOLUTION OF THE ROC–RSA POLITICAL-DIPLOMATIC RELATIONS**

The evolution of the ROC's political-diplomatic relationship with the RSA, as indicated at the beginning of this chapter, may be broadly divided into two phases: the earlier phase (1971-1989) of the forging of close co-operative ties; and the more recent period of

transition (1990-1994) from alignment to uncertainty which eventually led to the severance of diplomatic links at the end of 1997. The earlier phase, however, can be further subdivided into two distinct stages. The first stage (1971-1975) saw the gradual warming of ROC–RSA relations and the start of the exchange of visits made by high-ranking officials and cabinet ministers to the respective countries to pave the way for the strengthening of bilateral relations. The second stage (1976-1989) was characterised by the establishment of diplomatic ties in 1976, the culmination of the state visits of the heads of the government of the two countries in 1980 and the ensuing expansion of co-operative relations between the ROC and the RSA until the stepping down of P.W. Botha as president.

During the initial stage of the evolution of the ROC–RSA bilateral relations, beginning around 1970 and lasting for five years, the relevant governments dropped the more than two decades' policies of reluctance and disassociation and instead made an effort to improve the inter-state relationship. Recognising the importance of each other for their own economic development, both countries were inclined to upgrade the low-level consular framework, so as to prepare for the formation of a wide range of alignments in the 1980s.

A noticeable breakthrough in the ROC–RSA relations occurred in 1970. It was in this year that the South African Consulate in Taipei, which was opened in 1967, was upgraded to a Consulate-General. After 1971, the bilateral relations between the two countries became even stronger. In 1973, apart from the Consulate-General of the ROC in Johannesburg, the ROC opened another Consulate in Cape Town to look after its fishery interests in the Atlantic Ocean and to liaise with Parliament. This office was elevated to Consulate-General seven years later.<sup>64</sup>

The upgrading of the bilateral consular relations between the ROC and the RSA facilitated the growth of ROC–RSA economic ties. To cope with the growing economic relations, the office of the ROC Commercial Attaché was opened by the ROC

government in Johannesburg in May 1974 to handle matters related to trade and commerce.<sup>65</sup>

In response to the expansion of bilateral trade, the South African government decided to remove trade barriers. To this end, the then Consul-General of the RSA in Taipei, John Kincaid, announced at the beginning of 1975 that in view of the tremendous increase in the volume of trade, the RSA would remove tariff discrimination against imports from the ROC, while the ROC would import more maize and iron ore from South Africa.<sup>66</sup> Soon after the announcement, a trade agreement was concluded in Taipei by the two countries on February 26<sup>th</sup>, 1975.<sup>67</sup> This agreement paved the way for regular annual consultations between the Ministers for Economic Affairs of the two states and also for the expansion of bilateral trade and economic relations. Most-favoured-nation status was accorded to each country, and tariffs were reduced. As a result of the bi-national annual ministerial meeting, which was held in Taipei and Pretoria on alternate basis, ROC–RSA economic relations were gradually strengthened.<sup>68</sup>

As the ROC's trade with the RSA increased, the improved economic relations also led to the strengthening of closer political-diplomatic ties and co-operation in other fields, including prevailing public perceptions. Following the steadily expanding economic ties, the exchange of visits of high-ranking officials and cabinet ministers between the two countries also began to occur more frequently from 1975. In 1975 alone, there were three delegations of South African dignitaries who paid official visits to the ROC. They were mainly the VIPs of the South African Parliament, cabinet ministers, and high-ranking officials in charge of trade and commerce such as A.L. Schlebusch, then Speaker of the House of Assembly; C.P. Mulder, then Minister of the Interior and Information and G.J.J.F. Steyn, then Secretary of Commerce. While the ROC–RSA economic relations were deepening and the two countries' domestic views had been prepared for the forthcoming closer association with the other isolated state, the two governments considered that the time was ripe to establish full diplomatic links.<sup>69</sup>

However, ROC government feared that the development of close links between Taipei and Pretoria would have a detrimental effect upon the ROC's cordial relations with the Arab countries, in particular Saudi Arabia, which was the most important supplier of oil to the ROC. A trade and aeronautics agreement was concluded with Saudi Arabia on February 26<sup>th</sup>, 1975. In order to ensure the oil supply, the Arab countries needed to be properly consulted before the ROC started to foster official cordial relations with the RSA.<sup>70</sup>

For the said purpose, the ROC government assigned the then Deputy Minister of Foreign Affairs and the chief architect of the ROC's Africa strategy, Yang Hsi-kung (also known as H.K. Yang), to visit several Arab countries in the Middle East, including Saudi Arabia and Jordan, in 1975 for consultation and understanding.<sup>71</sup> Yang's visit to the Middle East and South Africa in 1975 was a clear indication that the government of the ROC had begun focusing its attention on forging relations with South Africa, while taking precautionary measures to prevent the forthcoming ROC-RSA diplomatic ties from inhibiting the development of cordial relations with the Arab countries. It was only after the consultation with the Arab countries that Yang paid a visit to South Africa to discuss the matters of common interests before the establishment of ROC-RSA diplomatic relations in April 1976. During his visit to South Africa, the then RSA State President, N. Diedericks, and Prime Minister B.J. Vorster received Yang. The common ground of a strong anti-Communist ideology and aspirations for freedom had gradually led the two sides to have an appreciation of the other. Yang claimed that "South Africa and my country are joined in the fight against communism. We are in favour of free enterprise, democracy and freedom."<sup>72</sup>

The establishment of diplomatic links was generally regarded as being in the common interests of the two anti-Communist countries. The ROC was praised by a National Party Member of Parliament as "one of the strongest anti-Communists bastions in the Free World", and "a natural trade partner for South Africa, because Taiwan needs our raw materials while we in turn provide them with a market for selectively manufactured goods."<sup>73</sup>

On April 26<sup>th</sup>, 1976, the two countries established formal diplomatic relations to foster the bond of friendship and close co-operation. Embassies were opened in Pretoria and Taipei respectively. The two countries exchanged ambassadors to foster the closeness of their bilateral relationship. The ambassadors assigned by the two countries to cement ROC–RSA ties during the period 1976–1998 are indicated in Table 3 and Table 4.

The ROC's decision to enter into full diplomatic relations with the RSA was primarily attributed to the aforementioned factors and its needs for trade, markets, resources, economic development and national security. It was never the intention of the ROC to support the RSA's domestic racial policies. Non-interference was the policy of the ROC government with regard to its relation with the RSA. The ROC's official stance was that "We do not interfere in the domestic affairs of other countries" and "let the South Africans find their own solution."<sup>74</sup> In line with the non-interference policy, prior to the unbanning of the ANC and the PAC in 1990, the ROC never had any contact with the ANC, the PAC and the SACP.<sup>75</sup> By contrast, the PRC supported several black liberation movements in southern Africa, including UNITA, ZANU and the PAC.<sup>76</sup>

In the wake of establishing diplomatic ties between the ROC and the RSA in 1976, the second stage of bilateral relations was unfolding. A wide range of co-operation between the two countries began to take shape. In addition to the 1975 Trade Agreement between the government of the ROC and the government of the RSA, several other agreements in various fields were concluded during the period of 1977-1979. Among these agreements, the Agreement Concerning the Exchange of Postal Parcels between the Postal Administrations of the ROC and the RSA was concluded on January 11<sup>th</sup>, 1977; the Agreement between the ROC and the RSA on Mutual Fishery Relations was signed on February 26<sup>th</sup>, 1978; and the Agreement for Technical Co-operation between the National Bureau of Standards of the ROC and the South African Bureau of Standards became effective on November 10<sup>th</sup>, 1979.<sup>77</sup> The conclusion of these agreements provided the legal basis for the citizens of the two countries to have mutual



access to the other country's postal service, fisheries and the application for registration of trade marks, licenses and patents in the foreign land. This in turn enabled the relevant entrepreneurs to conduct their business with ease and confidence of protection.

However, during 1976-1979, apart from expanding economic interactions and trade, the forging of ROC–RSA diplomatic ties did not bring about any immediate dramatic political alignment between the two countries. Before 1979, contacts between executive leaders, especially foreign policy formulators such as Prime Ministers, Foreign Ministers or Secretaries of Foreign Affairs, had not come about. It was only after P.W. Botha's assumption of power in 1978 that the formation of some kind of common front began to gradually emerge. The real improvement of political-diplomatic relations started in 1980 when the then ROC Premier, Sun Yun-suan, and the then RSA Prime Minister, P.W. Botha (who later became the State President) exchanged visits.<sup>78</sup>

During Prime Minister B.J. Vorster's era (1966–1978), the leaders of the governments of the two countries were not very keen on visiting the capital of the other country. The then ROC President Chiang Kai-shek, who was in his late 80s, was too frail to visit overseas. As for his son, Chiang Ching-kuo, the then de facto ruler of the country, was too busy consolidating his political power during 1971-1975 in his capacity as Premier of the ROC. He was also preoccupied with the challenge of the 1973 oil crisis and ten major domestic infrastructure projects. Chiang Kai-shek died on April 5<sup>th</sup>, 1975 at the age of 89. He was constitutionally succeeded by the then Vice-President, Yen Chia-kan. But Yen was only the nominal head of state. The real power was in the hands of Premier Chiang Ching-kuo who was subsequently elected President of the ROC in March 1978. Sun Yun-suan, a distinguished engineer and former Minister of Economic Affairs (1969-1978), was appointed by Chiang Chin-kuo as the Premier of the ROC in 1978. The appointment of Sun, a mainland-born technocrat, was intended to utilise his economic expertise to expand the economic development of the ROC in the face of diplomatic isolation.<sup>79</sup>

As for the RSA, the then Prime Minister B.J. Vorster's diplomatic concerns were mainly focused on the issues of South Africa's immediate external environment such as the conflicts of Rhodesia, South West Africa and Angola, and his well-known détente initiative with black African states further north. With respect to his foreign visits, except his visits to black African states, Vorster only visited Europe, Uruguay and Israel. Before the end of Vorster's tenure, none of South Africa's Prime Ministers had ever visited the ROC, either in a private or an official capacity, although Vorster did accept the ROC government's invitation and intended to pay an official visit to Taipei during the period of October 14<sup>th</sup>-18<sup>th</sup>, 1978.<sup>80</sup> However, Vorster was prevented from realising this scheduled visit to the ROC because of his poor health (bronchitis) and the outbreak of the "Information Scandal" in 1978.<sup>81</sup> The exposure of this issue seriously damaged the reputation and authority of Vorster and his close associates, in particular C.P. Mulder, the then Minister of Information and leader of the National Party in the Transvaal, and General H.J. van den Bergh, who was the head of the Bureau of State Security. The end result of this scandal was the rise of P.W. Botha, the then Minister of Defence, who overtook Mulder and obtained the position of the Prime Minister of the RSA in September 1978. Vorster became State President and eventually resigned on June 4<sup>th</sup>, 1979 to a political wilderness.<sup>82</sup>

Following P.W. Botha's assumption of office as Prime Minister of the RSA in 1978, ROC-RSA bilateral linkages were visibly strengthened. Efforts were made by the two sides to befriend each other, and a series of measures were adopted to broaden mutual relations. High-level exchange of visits was accelerated. The summit meetings of the two countries were held in 1980. As a result of this consolidation process, most of the co-operation agreements between the ROC and the RSA were completed during the reign of P.W. Botha. Therefore, it was the Vorster administration that nurtured and formalised the ROC-RSA relations, but the flowering of the co-operation between the two nations was in P.W. Botha's era. It was during Botha's term of office that the two countries endeavoured to build a strong partnership and ROC-RSA relations grew into an axis of substantial importance.<sup>83</sup>

It should be noted that before being elected Prime Minister in 1978, Botha had served as Minister of Defence for 12 years. Therefore, it can be argued that South Africa's increasingly deteriorating domestic and external situation, and his long-time experience of defence, had led him to develop a belief in a "Communist threat" and Communist-inspired "Total Onslaught" to overthrow white rule. He believed that South Africa faced a Communist-orchestrated onslaught in political, diplomatic, social, economic, propaganda, and military fronts.<sup>84</sup> To counter the "Total Onslaught" against South Africa, the "Total National Strategy" was formulated to fight the threat.<sup>85</sup>

The military and security sectors were given a major role in the South African government's policy-making. The assignment of General Magnus Malan from his military post as Chief of the Army to the position of Minister of Defence reflected the military's influence. The State Security Council became the main decision-making body. The South African Defence Force (SADF), the Department of Defence, the South African Police, particularly its paramilitary units, and the various branches of the intelligence organisations such as the National Intelligence Service, the Military Intelligence Section and the Security Branch of the Police, played significant roles in terms of expressing its views and opinions in the formulation of policies of security concerns.<sup>86</sup>

The same was true of Chiang Ching-kuo's rule on the island of Taiwan. As the eldest son of Chiang Kai-shek and his heir apparent (his other son was adopted), Chiang Ching-kuo was given control of the military and security agencies of the ROC government after its relocation to Taiwan in 1949. At the time of his arrival in Taiwan, this Russian-educated Chief of the ROC's Intelligence establishment not only brutally suppressed the Taiwanese elite, but also unleashed a white terror all over the island. In 1965, he became Minister of National Defence and in 1972, he was appointed Premier (Prime Minister) by his father. In many ways, Chiang's experiences, ideology (anti-Communist), style of rule and political reform were similar to Botha's. Interestingly enough, Chiang also excelled at toughness and was ruthless in suppressing opposition and Communist infiltration in his earlier years in Taiwan. As a result, he was called the

“Oppressor” by Hsu Hsin-liang, then former Chairman of the Democratic Progressive Party (DPP), the main opposition party in the ROC.<sup>87</sup> Botha, also had a clear-cut, dogmatic and strongly anti-communist view of the world.<sup>88</sup> Chiang was the initiator of the ROC’s political reform, while Botha can be regarded as the forerunner of the RSA’s political reform. In his later years in the 1980s, Chiang made some efforts to broaden the ROC government’s political base by bringing more native-born Taiwanese into the ruling party, legislature and executive system, which were dominated by the Chinese mainlanders. However, he had no intention of seeing majority Taiwanese rule in the ROC. Throughout his life, until his death in 1988, Chiang refused to recognise the Chinese Communist regime or to negotiate with Beijing for the reunification with the mainland.<sup>89</sup>

The main indicator of the forging of closer ROC–RSA ties was the exchange of visits of high-ranking executives of the foreign ministries of the two countries which started to take place in 1979. The first significant visit of the head of the RSA’s Department of Foreign Affairs was made by Brand Fourie, the then Secretary for Foreign Affairs, in October 1979. At the time of his visit, Fourie was the head of the Department of Foreign Affairs and he was a key figure in the formulation of South African foreign policy.

Fourie’s visit served as a precursor of a series of more important visits to be made by the Prime Ministers and Foreign Ministers of the two nations from 1980 onwards. As a matter of fact, the visit paid by Fourie and his wife during October 1979 was in lieu of R.F. (Pik) Botha, the Minister of Foreign Affairs. The invitation was extended to Pik Botha in September 1979 by Ambassador H.K. Yang on behalf of the ROC government while he paid a courtesy call to Pik Botha shortly after his assumption of duties as the ROC’s Ambassador to the RSA.<sup>90</sup> However, Pik Botha was preoccupied with the Rhodesian conflicts and the intense diplomacy relating to the Rhodesian situation. Conscious of the inevitability of majority rule in Rhodesia, Pretoria was prepared to separate its own fate from the fate of Ian Smith, the Prime Minister of Rhodesia, and to stabilise the Rhodesian situation by supporting an internal settlement based on majority

rule, with the Rhodesian whites retaining a prominent role in the government of Zimbabwe-Rhodesia. To prevent the “extremists”, in particular Robert Mugabe and the ZANU, from taking over the black majority rule, the moderate black leaders such as Bishop Muzorewa, Rev. Ndabiningi Sithole and a traditional ruler, Chief Chirau, were recruited to participate in the internal settlement. Smith was therefore pressurised by “the South African political, economic and military arm-twisting” to accept the formula of the internal settlement.<sup>91</sup> Pretoria also expected the ROC government to provide financial and various support to the Smith-Muzorewa government.<sup>92</sup>

According to South African intelligence, if a general election was inevitable, the Smith-Muzorewa interim government would win black majority support.<sup>93</sup> Nonetheless, this wishful thinking was dashed. The West did not accept the Rhodesian internal settlement and international recognition was withheld. From mid-to-late-1979, less than a year before Zimbabwe’s independence, the Smith and Muzorewa’s regime, which was backed by South Africa, was on the verge of collapse. The entire Commonwealth refused to recognise the Smith-Muzorewa government. The international pressure, based on an Anglo-USA plan, had been heightened to bring a black majority rule to Zimbabwe.<sup>94</sup> From a strategic point of view, Pretoria had no desire to see the Red Flags flying in Rhodesia, South West Africa (SWA) and other neighbouring countries. This would not only give impetus to South West Africa People’s Organization (SWAPO), the ANC and the PAC, but also brought a serious security threat to the RSA. In this regard, Pik Botha stated clearly:

We believe that the next country to fall will be Botswana. That will leave right around us to the north, east, and south a stretch of land one thousand to one-and-a-half thousand miles wide, stretching from the Atlantic to the Indian Ocean, either under direct or indirect Communist influence. We have no illusions as to what this will mean for our survival, and we are not going to sit back until it is too late to secure our survival.<sup>95</sup>

In order to counter a prospective Communist-led victory in southern Africa, Pik Botha spent some time in September 1979 and again in October 1979 with Ambassador H.K. Yang and the political Counsellor, Wei-jen Hu, in Pretoria to discuss the prospects of ROC–RSA co-operation.<sup>96</sup>

On the first occasion, Pik Botha frankly indicated that as the current development of a Rhodesian settlement was of critical importance to South Africa, he had to postpone his visit until 1980. Botha stated that he would either accompany Prime Minister P.W. Botha to visit the ROC in October 1980, or at another appropriate time. But he was hoping that the then ROC Premier, Sun, could lead a delegation to pay an official visit to South Africa in February or March 1980 before P.W. Botha's visit to Taipei. Both sides agreed that in the face of common increasing international adversity, the two countries should strengthen their bilateral ties and deepen co-operation in various aspects, including the development of technology and military self-sufficiency, at a low profile.<sup>97</sup>

The two governments were however cautious as they did not want to draw the attention of the world. Despite the fact that the ROC was the most seriously isolated state in the world in terms of formal diplomatic ties, it was neither willing to associate openly with other "pariah states", nor willing to be identified with South Africa, Israel, Chile, or South Korea as one of the members of a group of "Pariahs International".<sup>98</sup> The reasons for this was the important consideration that as an island trading nation, the long-term economic growth and trade with other countries were perceived to be more important than the collective identification of the derogatory status of the "Pariah States". For the ROC, there was no need to embrace the RSA openly. After all, in spite of its diplomatic isolation, the ROC was rarely smeared by colonialism or racism, and its economic success was amazing to many countries of the Third World. In order to facilitate the mutual co-operation, Pik Botha also assured Ambassador Yang that the South African government would take measures to revise the relevant discriminatory laws against the status of Chinese in South Africa.<sup>99</sup>

On the diplomatic front, Pik Botha revealed that the then Prime Minister of the Kingdom of Swaziland was terminally ill with cancer, and that the South African government was deeply alarmed by the intentions of the “crooks” of the Kingdom of Lesotho, namely Leabua Jonathan and his foreign minister, to bring in Cuban troops and other Communists such as the North Koreans.<sup>100</sup> This was contrary to the interests of the RSA. The ROC government therefore was requested by Pik Botha to assist the RSA in enhancing South Africa’s relations with Swaziland and Lesotho and tried to persuade the governments of these two countries to improve relationship with the RSA.<sup>101</sup> If these two countries could improve relations with South Africa and accept its overtures, the RSA would, in turn, assist the ROC in re-establishing diplomatic ties with the Republic of Botswana which had switched its recognition to the PRC in 1974.<sup>102</sup> Although Lesotho, under Jonathan, was inclined to establish diplomatic contacts with Communist countries, it maintained diplomatic links with the ROC until May 14<sup>th</sup>, 1983 when Lesotho severed its diplomatic links with the ROC. As Jonathan was politically against South Africa, Lesotho hosted a considerable number of ANC refugees as a politically symbolic act of opposing South Africa’s apartheid policies. Under such circumstances, Lesotho did not have full diplomatic links with the RSA during the 1980s. The relationship between Swaziland and the RSA was in a similar situation, although the RSA did set up a “South African Trade Mission” in Mbabane, the capital of Swaziland. The ROC has always maintained very cordial and close diplomatic relations with Swaziland since its independence in 1968. The ROC government was willing to help the RSA improve its relations with Lesotho and Swaziland.<sup>103</sup>

On a second occasion when Pik Botha and his wife, accompanied by Brand Fourie and his wife, attended a dinner hosted by Ambassador Yang on October 6<sup>th</sup>, 1979 at his residence, Pik Botha spoke graciously about the close relationship existing between the two countries. He referred to the efforts of the ROC government to overcome difficulties resulting from world politics and Ambassador Yang’s role as an instrument of the ROC national policy.<sup>104</sup> In a letter written by Pik Botha to Ambassador Yang in October 1979, it was clear that there was a close rapport and cordial sentiments existing between them. “I had been looking forward with much enthusiasm and great expectation to a

visit to your country,” wrote Botha.<sup>105</sup> He also held high respect for the ROC’s achievements. He made the following comments:

The contemporary history of the Republic of China bears testimony to the ability of man under good leadership to transform adversity into prosperity. The will of your people and their achievements in modern society are an inspiration to nations who are burdened not only by physical but also political adversity.<sup>106</sup>

Apart from the personal congeniality between the political elite of the two countries, the cordiality of ROC–RSA friendship was also reflected in the warmth of the reception and courtesy accorded to the Fouries by the ROC government during their visit to the ROC in October 1979. The outcome of the Fouries’ visit was fruitful. During their stay in the ROC, they met the then ROC Premier Sun Yun-suan, and held discussions with Y.S. Tsiang, the then Minister of Foreign Affairs; Chen-hsing Yen, who was Acting Chairman of Atomic Energy Council (AEC); Shien-siu Shu, then Chairman of National Science Council (NSC), and other high ranking officials of the ROC.<sup>107</sup> The Fouries also visited the Nuclear power plants in Chin-Shan area of northern Taiwan, China External Trade Development Council (CETRA) in Taipei, and China Ship-building Corporation in Kaohsiung City of southern Taiwan.<sup>108</sup>

Fourie and the aforesaid ROC leadership exchanged views on the world situation and the Communist-orchestrated threats in Rhodesia, Mozambique, SWA, and Tazara (Tanzam) railway.<sup>109</sup> They also discussed issues of mutual interest including co-operation in the fields of science, trade, economy, military and nuclear energy.<sup>110</sup> Fourie was deeply impressed with the ROC’s remarkable achievements in various fields, and he was “heartened by the extremely positive approach adopted by the government of the Republic of China regarding the relations between our two countries and the expressed intentions of even closer co-operation between us.”<sup>111</sup> At the end of his visit, Fourie was awarded a medal by the ROC government for his contribution to cementing closer bonds between the ROC and the RSA.<sup>112</sup> However, notwithstanding the



increasing interest of the two countries in developing mutual co-operation, it should be noted that historically there was no formal inter-state alliance or a security/military pact which had ever been signed by the two governments. This subject had never been officially brought up for discussion.<sup>113</sup> According to the ROC diplomatic records, although there were some informal talks and unofficial references made by a few South African government officials before Fourie's departure pertaining to forming a new type of "Fourth World" by the pariah states in addition to the First, Second and Third worlds, the real interest of the two countries in pursuing this idea was actually diminishing by the time of Fourie's arrival in Taipei.<sup>114</sup> It was therefore a non-starter. The main reason for South Africa's lack of interest was said to be the sudden change of Iran's political situation which had shocked the leadership of the RSA.<sup>115</sup> Geographic distance was also a great problem, and neither country could really safeguard or meet the need of the national security of the other. Each country still considered its long-standing relationship with the traditional major powers as crucial. But both countries were determined to expand bilateral ties, so as to break out of isolation and to use the other country as substitute for the traditional major trading partners.<sup>116</sup>

The highlight of ROC–RSA bilateral ties was the exchange of official visits by the then ROC Premier, Sun Yun-suan, and the then RSA Prime Minister, P.W. Botha, in 1980. This was the real beginning of closer South African links with the ROC. The visits ushered in a new era in the expansion of economic, political, cultural and military ties between the two countries.

Premier Sun and Mrs Sun, accompanied by an entourage of 31 delegates and 24 journalists from Taipei, paid an official visit to South Africa during March 1980. Among Premier Sun's entourage were the then Minister without Portfolio, K.T. Lee (in charge of science, technology and nuclear energy development); the then Minister of Transportation and Communications, Chin-sheng Lin; the then Chief of the General Staff of the ROC military, Admiral Chang-chih Soong; the then Vice Minister of Economic Affairs, Yi-ting Wang; the then Vice Minister of Foreign Affairs, Edward Y.

Kuan; the then Director-General of the government Information Office, James Soong; and other high-ranking officials.<sup>117</sup>

The official visit made by Premier Sun and his delegation had far-reaching implications for the ROC–RSA bilateral diplomatic/political relations. As a result of this visit, the following six important agreements and one procurement contract for uranium were entered into and signed between the two governments:

- (1) Agreement on the Co-operation of ROC–RSA Defence Industries (Confidential).
- (2) Agreement on the Reciprocity of granting Most Favoured Nation (MFA) Status in respect of navigation and Shipping.
- (3) Aviation (Air Transport) Agreement
- (4) Agreement of the Reciprocal Exemption of the Income Tax on Aviation & Navigation.
- (5) Agreement on the Co-operation of Science and Technology.
- (6) Exchange of Personnel between the National Science Council (NSC) of the Executive Yuan (e.g. Cabinet) of the ROC and the Council for Scientific and Industrial Research (CSIR) of the RSA.<sup>118</sup>

The above-mentioned six agreements of mutual co-operation and granting of most favoured nation status to each other had not only reduced tariffs and taxation, but also laid the foundation of ROC–RSA co-operation in the fields of national defence, navigation, shipping, aviation, science, technology and economy.<sup>119</sup>

In addition to the aforesaid bilateral agreements and procurement contract, Premier Sun and his entourage also held discussions with their South African counterparts on various matters of mutual interest during their visit. The first issue was about the status of Chinese in South Africa. The South African government agreed that it would try to do away with the chronic discrimination against the Chinese through the amendment of legislation.<sup>120</sup> But the South Africa side cautioned the ROC delegation that this matter

might cause complex implications regarding the treatment of the RSA's Asian population (implied Indian descendants) which numbered nearly one million. It was feared that if the Chinese were granted full constitutional rights as white South Africans, other racial groups, particularly the Asians, would make similar demands. Therefore, there was a tacit understanding that since the Chinese population in South Africa was relatively small, the South African government was willing to improve its treatment of the Chinese by granting them "honorary white" status, so long as the Chinese understood the complexity of the racial situation and the political sensitivity without openly publicising this tacit agreement.<sup>121</sup> As a result of this, the Chinese population, including the Taiwanese immigrants and investors were consequently treated as "honorary whites" from the 1980s onwards until 1994.<sup>122</sup>

However, although the South African government was prepared to give full rights to the Chinese population in South Africa, it intended to ascertain the Chinese community's views before implementing this tacit understanding. In response to this unprecedented overture, the Chinese community, nevertheless, was deeply divided. Some felt that as the Chinese community had been part of the disadvantaged in South Africa for generations, the Chinese should continue to side with the black majority rather than the privileged white population. Some feared that by accepting this overture, the loss might turn out to be heavier than the gains. For instance, it might alienate the black majority and result in the necessity of Chinese young men serving in the South African armed forces to fight in the war raging in southern Africa or other places. Some felt that there was nothing wrong with being granted the status of "honorary whites." After further consultations, it was decided later on that the small Chinese community in South Africa would be granted partial rights to live and receive education in white areas on the basis of the attainment of permits, but without full constitutional rights to vote or to take part in the various elections.<sup>123</sup>

From the Chinese perspective, although the issue of rights of franchise for the Chinese in South Africa was not completely resolved, the improvement of Chinese status in South Africa was still a breakthrough and an important achievement. It not only

consolidated the support of the South African Chinese community to the ROC government, but also made it possible for Taiwanese investors to emigrate to South Africa, to live in white areas and invest in the black homelands and other areas in South Africa.<sup>124</sup>

The second issue that the two Prime Ministers discussed was the formation of the “Fourth World”. The concept of forming a “Fourth World” by the pariah states such as the RSA, the ROC, Israel, South Korea, Paraguay, Chile and Iran was brought up for the first time by P.W. Botha during the second round of summit meetings of the two heads of government held on March 11<sup>th</sup>, 1980 in Cape Town.<sup>125</sup> P.W. Botha expressed his view that deeply disillusioned with Western vacillation and unjustified hostility to South Africa, the RSA government was in favour of the formation of the “Fourth World” by the medium-sized powers like South Africa, the ROC and the above-mentioned countries to strengthen mutual co-operation, so as to break out of isolation and to solicit the recognition and support for these states.<sup>126</sup>

The ideal situation would have been the participation of Iran in this group. With Iran’s abundant oil, South Africa’s mineral resources, Israel’s technology in the arms industry, and South Korea and the ROC’s economic strength, the viability of the “Fourth World” could not be underestimated. Pik Botha further added that in October 1978, he had mentioned this idea of alignment to the Shah of Iran, Mohammad Reza Shah Pahlavi, and the Shah supported the formation of the “Fourth World”.<sup>127</sup> Pik Botha regretted that the RSA was unable to form the “Fourth World” before the fall of the Shah.<sup>128</sup> During the discussion, Pik Botha asked Premier Sun whether any of the ROC’s diplomatic allies in the Far East, Africa and Latin America could really support this proposed grouping.<sup>129</sup> However, from the ROC standpoint, the founding of the “Fourth World” was not viable. Therefore, the ROC preferred to expand ROC–RSA bilateral co-operation rather than form a collective pariah alignment organization.<sup>130</sup> The reasons were obvious. Despite the commonality of international isolation and the desire to break out of international isolation, each pariah state had its own agenda and different constraints. For the ROC, it had no desire to embrace Iran. The post-Shah Iran was a

liability to the ROC's national interests. The Shah had been overthrown in January 1979 and Ayatollah Ruhollah Khomeini assumed control. By November 1979, Iran's relations with the USA had deteriorated to breaking point and the Iranian militants had seized the USA embassy in Tehran and 50 Americans were held hostage. The downfall of the Shah and the intense Iran-USA hostility made the alignment of the pariahs inadvisable. Any attempt made by the ROC to enter into alignment with Iran would definitely offend the ROC's security guarantor, viz. the USA, and the ROC's major oil suppliers, Saudi Arabia and Kuwait. The move would surely jeopardise the ROC's most important foreign relations. The ROC government feared that similar risks might impact upon the ROC's friendly relations with the Arab countries if the ROC had close ties with Israel.<sup>131</sup>

As for South Korea, Premier Sun frankly pointed out that as she was facing security threats from mainland China and the Soviet Union, and there was no formidable geographic barrier to prevent invasion from the north, South Korea had to rely on the USA for protection. Under these circumstances, South Korea sustained far greater pressure from the USA in terms of foreign policy formulation. As a result of this constraint, Premier Sun deduced that South Korea was unlikely to provoke the Soviet Union and the PRC by joining the beleaguered inter-pariahs' club to displease the USA and the Third World countries.<sup>132</sup>

During the summit meeting, based on the above assessment, Premier Sun was of the opinion that the formation of a multiple "Fourth World" by these pariah states was unrealistic because of the security dilemma.<sup>133</sup> These countries basically depended on Western big-powers for survival and each pariah state had different national interests and no real control over its own fate. Therefore, Premier Sun replied that unless an effective solution could be found to safeguard each country's national security, the more feasible way of alignment would be the strengthening of inter-pariah ties.<sup>134</sup> In line with this direction, he indicated that the ROC government had no desire to form a "Fourth World", and he perceived that the formation of this group was not feasible. The suggestion was thus made by Premier Sun to start from the more feasible ROC-RSA

bilateral co-operation and to shelve the grandeur of multilateral alignment with other pariah states.<sup>135</sup>

In response to Premier Sun's proposal, P.W. Botha agreed that the two countries should start to strengthen bilateral co-operation as the first step, and then gradually expand the scope of co-operation to other pariah states.<sup>136</sup> Consequently, the concept of forming a "Fourth World" never materialised. The two countries quietly put it aside after the meeting.

Premier Sun's visit also offered an opportunity for the two governments to exchange views on other related issues such as mutual diplomatic support and the ROC's assistance in obtaining oil from Saudi Arabia for the RSA.<sup>137</sup> As regards to mutual diplomatic support, a proposal was made by Pik Botha for each country to render necessary support to the other by lobbying its close diplomatic allies to improve their relations with the ROC or the RSA.<sup>138</sup> The ROC would try its best to convince Malawi, Lesotho, Swaziland, Paraguay, Costa Rica, South Korea, Saudi Arabia, and Panama to improve their relations with the RSA; while the RSA would try to approach Botswana, U.K., France and West Germany to enhance these countries' relations with the ROC.<sup>139</sup> Premier Sun agreed to give the proposition of mutual diplomatic support a try because of the fact that at the time, the ROC had no diplomatic or official relations with the U.K., France and West Germany. It maintained merely substantive trade and economic relations with these major Western powers. The ROC needed to diversify its weapon procurement from the USA to the European countries and to smooth its relations with the U.K., so as to make Hong Kong, a British colony, more accessible to the ROC's visitors, trade, intelligence gatherings, and contacts with Mainland China. The RSA also needed to win over the above-mentioned Third World countries, which maintained cordial relations with the ROC. But Premier Sun explained to his counterpart that it would be difficult to convince Saudi Arabia to sell its oil to South Africa, because Saudi Arabia had agreed to sell oil to the ROC on condition that reselling and storage of oil were prohibited. He, however, assured P.W. Botha that the ROC government was

willing to co-operate with the RSA in other matters mentioned above, such as the ROC–RSA mutual diplomatic support and bilateral co-operation in other fields.<sup>140</sup>

In spite of foreign policy differences and the constraints of the ROC's national security, which led to an indisposition to have association with Iran and Israel in forming a "Fourth World", Premier Sun's visit to South Africa in March 1980 was one of great historical significance. It not only provided the groundwork for the various forthcoming bilateral co-operation in ROC–RSA relations, but also nurtured mutual understanding and a value system between the leaders of the two countries.

In P.W. Botha's view, relations between the two countries had reached "a high level of cordiality, co-operation and mutual advantage."<sup>141</sup> The visit provided an opportunity for the two leaders to find solace in their common anti-Communist ideological stance and the alienation of major international powers. Rightly or wrongly, as these two countries shared a similar outlook, similar external threats, similar international isolation and abandonment by the big powers, there was considerable solidarity between the leaders of the two governments. The friendly sentiments and common beliefs were evident in the remarks made by them during Premier Sun's visit.<sup>142</sup>

At the state banquet held in Cape Town on March 12<sup>th</sup>, 1980, Premier Sun stated:

We all face the threat from the international communists. It is for this simple reason that we stand together shoulder to shoulder and co-operate with each other in the interest of our two countries and peoples. And I envisage a bright prospect for closer co-operation in the areas of economy, technology, trade and culture between our two countries.<sup>143</sup>

P.W. Botha echoed the viewpoint of Premier Sun when he delivered his response by emphasising that:

We are both countries under threat from an aggressive alien communism, but we have made it clear that our freedom and the future of our children is not negotiable. We shall defend it, regardless of the cost.<sup>144</sup>

To summarise the achievements of Premier Sun's visit to South Africa, P.W. Botha proclaimed that apart from the co-operation in the scientific and technological field, the two governments had signed an agreement instituting a reciprocal air service and another for the reciprocal treatment of navigation to facilitate contact over a broader spectrum and to assure more direct links between the two countries.<sup>145</sup> They had also signed an agreement for the reciprocal exemption from taxes on income derived from the operation of sea and air transport. These agreements were beneficial to bilateral trade, commerce, communication and future mutual co-operation.<sup>146</sup>

The visit of Premier Sun had generated an unseen momentum of bilateral interactions between the two countries. Concerted efforts were made to boost the exchange of visits of more people from the two nations, including important officials and prominent leaders. The South African government made good on its promise to improve its treatment of the Chinese population, and the contribution of the Chinese community to the prosperity and economic development of South Africa were recognised and appreciated. In addition to the exclusion of the Chinese race from the definition of "Asiatic" in section 175(1) of the Liquor Act of 1928, the then Minister of Home Affairs, Chris Heunis, pledged to take concrete measures to mend the RSA's treatment of the Chinese immigrants, especially pertaining to the granting of residence permits to the ROC's investors in South Africa.<sup>147</sup> In compliance with the request made by the then ROC Ambassador, H.K. Yang, on February 19<sup>th</sup>, 1982, Heunis agreed that "the validity of their permits would be so extended that there would be no need for them to renew their temporary residence permits every year and that these immigrants' stay would not be limited to only five years."<sup>148</sup> The long practised regulation of the reclassification of white women who married Chinese, as Chinese, would be relaxed and their children would no longer live in limbo. Co-ordinating measures were also taken by the



Department of Home Affairs of the RSA to liaise with the provincial authorities of Orange Free State, to lift the ban on Chinese from residing and establishing businesses in the province.<sup>149</sup> Gradually, the discriminatory measures which impeded the expansion of the ROC's investments in South Africa were removed.<sup>150</sup> In the meantime, scheduled air service between Johannesburg and Taipei was introduced in November 1980.<sup>151</sup>

Subsequent to Premier Sun's visit, a high-powered South African official delegation led by Prime Minister P.W. Botha and his wife visited Taipei during the period of October 13<sup>th</sup>-17<sup>th</sup>, 1980 in a bid to further strengthen the bilateral ties between the RSA and the ROC. The delegation comprised 66 officials including the then Minister of Foreign Affairs and Information, R.F. (Pik) Botha; the then Minister of Transport Affairs, H.S. Schoeman; the then Minister of Industries, Commerce and Tourism, D.J. de Villiers; the then Director-General of the Department of Foreign Affairs and Information, Brand Fourie, as well as the wives of the officials and 19 journalists representing the major media of South Africa.<sup>152</sup> The media group included: the South African Broadcasting Corporation (SABC), the South African Press Association (SAPA), The Cape Times, The Star, Pretoria News, The Daily Despatch, Die Burger, Beeld, Die Transvaler, Vaderland, The Mirror, The Sunday Times, Rapport and The Rand Daily Mail.<sup>153</sup>

This trip was the first official visit made by P.W. Botha in his capacity as Prime Minister. As this was the first time that a South African Prime Minister had set foot on the soil of Taiwan, the visit was covered with massive publicity in both the ROC and the RSA. In the ROC, this event was hailed as the milestone of ushering in a new era in the history of the ROC-RSA ties.<sup>154</sup> During his visit to the ROC, P.W. Botha met with the then ROC president, Chiang Ching-kuo, on October 15<sup>th</sup>, 1980 and held two rounds of talks with his counterpart, Premier Sun. They discussed the matters of mutual co-operation. The two sides reached a consensus that in view of the fact that both countries were strategically important and that the common enemy of the two countries was Communist expansion, the ROC and the RSA should make an effort to augment their national strength and strengthen mutual co-operation to further contribute to the cause

of the free world. Both of them were of similar opinion that while the ROC could be viewed as the cornerstone of security in the West Pacific, holding the key to Southeast Asia and Northeast Asia, the RSA held the strategic position of a gateway to the Indian and Atlantic oceans.<sup>155</sup>

After two rounds of thorough discussion on the implementation of relevant mutual co-operation agreements which were held during the visit between the two government leaders and high-ranking officials, a decision was adopted to expand further co-operation in various aspects and to review the progress of co-operation on ministerial level from time to time. President Chiang expressed his satisfaction with the implementation of the agreements of mutual co-operation made and entered into between the two governments during Premier Sun's visit to South Africa in March 1980.<sup>156</sup> It was also agreed that the two countries should provide assistance in increasing food production in developing countries.<sup>157</sup>

P.W. Botha and his delegation were impressed by the ROC's social, economic, cultural and technological developments. Having served as a Minister of Defence in the past, P.W. Botha was in awe of the ROC's well-organised and well-trained military forces. He was particularly amazed by the combat-readiness of the ROC Air Force. When he and his delegation paid a visit to C.C.K. Airbase, an emergency take-off drill was performed as he pressed the alarm. Within three minutes, the ROC Air Force pilots succeeded in getting their jet fighters zooming to the sky to defend the ROC's air space. He told the press, "I must say I am impressed by what I saw. The arrival here was exquisite and from a military point of view, having been minister of defence for 14 years, I was impressed with the defence force of this country, particularly the efficient and well-trained forces."<sup>158</sup>

In the field of nuclear energy co-operation, although P.W. Botha himself did not have time to visit the nuclear power stations in Taiwan,<sup>159</sup> bilateral talks were held between members of the ROC cabinet and their SA counterparts to discuss the two countries' co-operation in nuclear energy development, in particular on the exchange of

technology and information.<sup>160</sup> It was agreed that “the application of atomic energy will only be for peaceful purposes.”<sup>161</sup> In other words, the nuclear co-operation was mainly for the purpose of the development of nuclear energy to be used by the nuclear power stations, not for the development of nuclear weapons.<sup>162</sup>

P.W. Botha’s visit was an important event with profound practical consequences. Over and above the cementing of bilateral co-operation, it enhanced mutual understanding between the leaders of the two governments and the people of the two countries through direct contacts with the people of the ROC and personal observation of the relevant situation of the island country. Before P.W. Botha’s visit to the ROC in October 1980, the government and people of South Africa did not know much about the ROC because of the differences in cultural background and geographical distance. For most South Africans, the ROC was a remote country half-way round the world. The cultural links and cultural origins of the two countries were very different from each other. Moreover, the liberal English newspapers in South Africa, except The Citizen, were quite unfriendly towards the ROC.<sup>163</sup> Very few journalists and academics understood the pathos of the history of the island of Taiwan and the aspirations of its people. Consequently, most South Africans were unconcerned with the ROC. Apart from its economic success, Taiwan was often considered as a renegade province of China, and the disputes between the PRC and the ROC were seen as the problems of Chinese civil war which remained unresolved.<sup>164</sup>

Due to prominent media coverage, P.W. Botha’s visit to the ROC helped to change the perception of the two countries towards each other. The visit had also highlighted an awareness of the real situation of what each country could offer to the other. Prior to P.W. Botha’s visit, for the people of the ROC, Africa, including the RSA, was marginal. However, through P.W. Botha’s visit, a new perception was opened up. All three TV networks in Taiwan broadcast live the arrival of the Botha delegation at the Sungshan military airport, while all radio stations and morning and evening newspapers, both in Chinese and English, followed the activities of the Botha delegation closely. All of the newspapers published editorials, byline articles and titbits to inform the people about

P.W. Botha and South Africa.<sup>165</sup> The RSA was positively perceived as a regional power endowed with abundant natural resources and opportunities for investments.<sup>166</sup>

For the people of the RSA, the SABC sent TV news reports via satellite back to South Africa and broadcast news of the visit for between five and seven minutes in its evening news program every night.<sup>167</sup> Reporters from other news media also reported on the visit. Many journalists were surprised to witness the remarkable progress and achievements of the ROC. Many of them did not expect to see that the ROC was so progressive in some fields of its developments, which were worth emulation by the RSA. For instance, at the end of the visit, Andrew Braid, a senior political correspondent of the SAPA and leader of the 19-member press group, had enormous respect and admiration for the ROC. He openly stated that “We didn’t know your country is so advanced. In some aspects, it is us who should learn from you”.<sup>168</sup> Ivor Wilkens of the English language newspaper The Sunday Times also admired the ROC’s accomplishments. He admitted that “we didn’t understand your country and your people too well before, but with the visit, things will surely be different.”<sup>169</sup>

As a result of the visit, goodwill and trust developed between the leaders of the two governments. The exchange of visits thus had a tremendously positive impact on ROC–RSA relations. “South Africa is proud to have the Republic of China as a trusted friend,” proclaimed P.W. Botha. He further declared that “we have every reason to cooperate, not only because we have a common enemy, but more positively, because we have a great deal to learn from each other and a great deal to gain.”<sup>170</sup>

In a sense, P.W. Botha’s manifestation was also a clear reflection of the growing partnership between the two countries. With the exchange of visits of the two Prime Ministers, the foundation of a long-term partnership between the ROC and the RSA had been laid. This close partnership lasted for almost one decade until P.W. Botha’s stepping down as party leader after suffering a stroke in February 1989. From the ROC’s perspective, the years of P.W. Botha’s stewardship (1978-1989) were seen as a period of cordial partnership in the history of the ROC–RSA relations. During this

period, the diplomatic/political links were very close. Various economic and strategic co-operation projects were under way and new economic frontiers were unfolding for ROC entrepreneurs in terms of investments and trade with the RSA.<sup>171</sup>

In the aftermath of P.W. Botha's visit to the ROC, the then Minister of Foreign Affairs of the ROC, Fu-sung Chu, accompanied by his wife and three officials, made his first official visit to the RSA for one week from May 28<sup>th</sup> to June 4<sup>th</sup>, 1981. He was the first ROC Minister of Foreign Affairs who had ever paid an official visit to South Africa in the ROC's history. Chu's visit signified that the ROC–RSA political/diplomatic links were growing closer.<sup>172</sup> During his seven-day official visit to South Africa, Chu and his delegation met Pik Botha and Brand Fourie. Chu was decorated with the Grand Cross of the Order of Good Hope to honour his distinguished contribution in the promotion of ROC–RSA cordial relations. He also paid a courtesy call on Marais Viljoen, the then State President.<sup>173</sup> Before winding up his visit, Chu and his delegation also visited Valindaba (Pelindaba) in the company of F.W. de Klerk, the then Minister of Mineral and Energy Affairs, for a briefing on the progress of nuclear co-operation between the two countries.<sup>174</sup> While Chu was in South Africa, the ROC naval frigates were invited by the South African Navy to visit South Africa's ports for the first time. This was to celebrate the 20<sup>th</sup> anniversary of the RSA's Republic Day.

Although Chu was the only foreign minister who attended the celebration of the 20<sup>th</sup> anniversary of the RSA's Republic Day, he was gratified to see how South Africans treated the ROC nationals as brothers and sisters. South Africa's military strength, the abundance of resources and the advancement of technology and science particularly impressed him. During his visit, Chu held talks with his counterpart, Pik Botha. The main theme of talks held between the two foreign ministers was the co-operation between the two countries against international communism.<sup>175</sup> Chu urged the South African government to stand together with the ROC to fight international communism. Speaking at a banquet in his honour, Chu openly pronounced for the first time that as the two countries were allies, the ROC's strong armed forces should join hands with South Africa to fight against international communism. On behalf of the ROC

government, he expressed his hope that South African soldiers would visit the ROC in the near future.<sup>176</sup> This was the first occasion that a ROC cabinet minister publicly disclosed the ROC's intentions of implementing the ROC–RSA military co-operation in defiance of the world's sanctions against South Africa.<sup>177</sup>

Prior to his departure from South Africa for Malawi, Chu made even more daring remarks at a press conference at Jan Smuts Airport on June 4<sup>th</sup>, 1981. He first spoke warmly of the ties of friendship between the ROC and the RSA, which he believed would be beneficial to the RSA. He declared that “we want to share our experiences with our friends (South Africa) and we also want to exchange information... to work out programmes against such communist infiltration and subversion.”<sup>178</sup> He further indicated that “you have resources in all aspects, both human and material. Your country has made tremendous progress in the past years... especially in science and technology... and we hope that in the years ahead, the co-operation between the ROC and the RSA will be even greater.”<sup>179</sup> When asked about the ROC's Africa ties, he simply made it clear that the ROC government was not concerned about its ties with other black African states, and he did not believe that the ROC's links with the RSA would really harm the ROC's ties with other countries in Africa.<sup>180</sup> From the above statement made by Chu, it was evident that the position of the ROC government was to consider ROC–RSA bilateral relations as equally important as the ROC's diplomatic ties with other African countries and that the ROC government was determined to strengthen its relations with South Africa no matter what the rest of the world thought. In other words, South Africa was no longer a liability to the ROC government, and it had no fear that its growing links with South Africa might jeopardise its friendly relations with black Africa and the Arab countries in the Middle East.<sup>181</sup>

### **3.5 THE ROC–RSA DIPLOMATIC ALIGNMENT**

The decision of the ROC government to enhance its relations with the RSA, as explained earlier on, was partly due to its growing resource shortage, its need to seek cheap labour and markets and the necessity of the restructuring of its economy. In

order to resolve these problems, and to maintain sustainable economic growth, the ROC government was determined to deepen ROC–RSA links after weighing the gains of resources and markets for the sustenance of its economy against the consequence of being labelled as a collaborator with the apartheid regime by anti-apartheid groups. In forging cordial political-diplomatic relations with South Africa, the ROC government foresaw many pragmatic advantages in the development of its economy, technology, nuclear energy and even national security. The most important consideration was economic. As the ROC's industrialisation and economic growth developed rapidly, the shortage of energy and resources became increasingly acute. How to hold down the costs of labour, energy and raw materials was one of the key factors for the ROC's continued economic development. These were the underlying factors that motivated the ROC government technocrats and businessmen to expand the country's ties with South Africa.<sup>182</sup>

The ROC–RSA alignment in the 1980s was partly due to the fact that during this period, the ROC government based its national diplomacy largely on realism, pragmatism and at times, a cold calculation of diplomatic and strategic interests, in particular seeking diplomatic recognition to justify its legitimacy as a sovereign state.<sup>183</sup> Hence idealism and human rights had no part in its foreign policy formulation and domestic policies. We have to bear in mind that from its transfer from mainland China to Taiwan in 1949 until 1988 when the ROC former president, Chiang Ching-kuo, suddenly passed away, the ROC was close to a benign authoritarian anti-Communist state, which prohibited opposition political parties. During this period, the Kuomintang under the leadership of Chinese mainlanders such as Chiang Kai-shek, his son Chiang Ching-kuo and Premier Sun controlled political power. The native Taiwanese and aboriginal people were treated poorly in the political realm. It was only after the death of Chiang Ching-kuo that the ROC former vice-president, Lee Teng-hui, a native Taiwanese, took over the presidency from mainland Chinese and started to implement far-reaching political reform. Ideology was another attributing factor. Influenced by its own strong anti-Communist ideology, the leadership of the ROC government had an antipathy to militant trade unions, leftist groups, Communist-controlled organisations and even the native

Taiwanese Presbyterian Church which advocated Taiwanese human rights and the Taiwan Independence Movement. These organisations were perceived of by the ROC government as a serious threat to the ROC national security and a political challenge to its legitimacy. The ROC Ministry of Foreign Affairs was also run by the mainland Chinese, not the native Taiwanese.<sup>184</sup>

As a result of a combination of the above-mentioned factors, the ROC government embarked upon the highway of closer association with the white regime to preserve and enhance its diplomatic, economic, strategic and scientific interests, instead of dissociating from the South African state and voicing opposition to apartheid. The ROC foreign policy towards South Africa was based on the premise that the ROC recognised the long-term dangers resulting from apartheid policies, but as a relatively small country facing diplomatic adversity, it was in no position to change the firmly controlled domestic policies of the white government, as even the liberation movements and front-line countries were unable to overthrow the white regime by force.<sup>185</sup> In these circumstances, it was worthwhile for the ROC government to expand its diplomatic, economic, cultural and scientific interactions with South Africa so long as the ROC kept a low profile and did not provoke the black African states in the region which maintained diplomatic relations with the ROC. It seemed to the ROC government that by associating with the white state, the economic benefits would be larger than the political costs.<sup>186</sup>

The convergence of the national interests of the two countries had thus prompted the expansion of both political-diplomatic and economic co-operation throughout the 1980s. The cordiality of ROC–RSA political-diplomatic ties was manifest in several dimensions during the 1980s. Throughout P.W. Botha's years, warm and friendly relations were maintained in the inter-state and inter-government levels.<sup>187</sup> In the inter-state dimension, the two states considered it in their mutual interests to continue to co-operate in various aspects. The bond of friendship was strong. Each country was perceived by the other as a partner of substantial importance. The tough-minded leadership of the two countries shared a common anti-Communist ideology and value



system.<sup>188</sup> The ROC chose to engage the RSA to serve its own national interests and ignore the international sanctions. The political goodwill was reflected by the conclusion of various bilateral agreements. Up to 1986, sixteen agreements of co-operation had been signed by the two countries, ranging from trade, investments, aviation, shipping, fisheries, minerals, agricultural and energy co-operation. Most of the thirty-nine bilateral agreements were concluded between 1976 and 1989.<sup>189</sup> With these agreements in place, the ROC–RSA inter-state relationship grew into an axis of importance. South African Airways increased its air service between Johannesburg and Taipei from once a week in November 1980 to twice a week in November 1987.<sup>190</sup> These developments indicated that the close inter-state relationship was developing in the wake of 1980.<sup>191</sup>

Regarding inter-government contacts, a variety of mechanisms of mutual consultation had been set up during the 1980s. A notable one was the formation of a ROC–RSA bi-national commission dealing with trade and investment, economic co-operation, science and technology, and other related matters. The said bi-national commission was set up in 1977, one year after the establishment of formal diplomatic ties between Taipei and Pretoria, and was designed to boost bilateral trade and economic co-operation, and to remove tariff and non-tariff barriers.<sup>192</sup> The ROC–RSA bi-national commission meeting was known as “Annual ROC–RSA Ministerial Trade & Economic Meeting”.<sup>193</sup> The first meeting was held in Taipei in March 1977, and the next one was held alternatively in Pretoria in August 1978.<sup>194</sup> Shortly before the two Prime Ministers’ exchange of visits, the level of this bi-national commission’s annual meeting was elevated from the rank of senior government officials to cabinet ministers headed by the ministers of economic affairs or ministers of trade and industry as from November 1979.<sup>195</sup> The scope of discussion was further extended to cover aviation, navigation, shipping, science and technology.<sup>196</sup>

Politically, the two governments had strong ties with each other during P.W. Botha’s years. Various delegations from different governmental departments visited the other country every year to chart the course of bilateral co-operation projects. Each government backed the other’s diplomatic stance. High-level exchange of visits was

further continued. On the ROC side, following the visit of the ROC's then Minister of Foreign Affairs, Fu-sung Chu, the then ROC Minister of Finance, Hsu Li-teh, visited South Africa in September 1982. Two months later, the then ROC Minister of Economic Affairs, Chao Yao-tung, and the then Chairman (Minister) of the Vocational Assistance Commission for Retired Servicemen of the Executive Yuan (Cabinet), General Cheng Wei-yuan, visited South Africa separately. In April 1983, the then Chief of the General Staff of the ROC Defence Force, General Hau Pei-tsun, visited the RSA and SWA to strengthen military co-operation. In May 1983, the then Vice Premier Chiu Chuang-huan and the then Minister of Transport, Lien Chan, paid a visit to the RSA respectively. In 1984, Premier Sun suffered from a stroke. As a result of his ill-health, Sun resigned from the government and became one of the Senior Advisors to the President. Sun's successor, Yu Kuo-hwa, paid an official visit to the RSA soon after his assumption of office in July 1984. The then ROC Vice President, Lee Teng-hui, visited South Africa for the third time in September 1984 to attend the ceremonies marking the inauguration of the new Tricameral Constitution. The then Vice Premier of the ROC, Lin Yang-kang, also came to South Africa one year later.<sup>197</sup>

On the RSA side, there were also numerous visits made by South African ministers, officials, military personnel, scientists, academics and other important people to Taipei in the 1980s. Due to the sensitivity of some of the visits at the time, there are no press reports or detailed official records. Most of the ministers of P.W. Botha's cabinet, high-ranking military generals and police chiefs, Chairman of the Uranium Enrichment Corporation (UCOR) of South Africa Limited, the President of the Atomic Energy Board and the President of the Council for Scientific and Industrial Research (CSIR) had spent some time in Taiwan either for a short visit or a relatively longer duration. Apart from exchange of visits, there were also other modes of co-operation such as holding of joint seminars and exchange of information, science and technology and co-operative research and development projects.<sup>198</sup>

Since some of those who participated in the programme of the exchange of visits and training courses for the intelligence, security and military personnel are still in active

service in the South African Defence Force and security/intelligence organisations, it is necessary to withhold their names in order to protect their privacy and confidentiality. But the modes of co-operation and the nature of the military co-operation will be analysed in Chapter VI.

### **3.6 AN APPRAISAL OF ROC–RSA DIPLOMATIC ALIGNMENT (1976-1989)**

Generally speaking, during the 1980s, as the respective interests of the two states were largely convergent, the two governments had intentions to align with each other, albeit the fact that P.W. Botha had foreseen that the alliance between two pariahs in the long run would be “a hazardous enterprise” and the alignment could turn out to be “the shifting fortunes and instability” because pariahhood would never be permanent.<sup>199</sup>

However, on the diplomatic front, in spite of the good intentions and efforts made by the two governments to assist each other and to exchange information in regard to the diplomatic situation, the ROC–RSA diplomatic co-operation was, in fact, unsuccessful. The effect of political/diplomatic alignment on the isolated diplomatic situation of the two countries was, in general, insignificant. This was partly due to the limits of the national capabilities and influences of the two countries, and partly due to the divergence of interests of these two states.

The futility of ROC–RSA diplomatic co-operation could be exemplified from the following events:

Firstly, the two governments disagreed completely with each other on the issue of formation of the “Fourth World”. During Premier Sun’s visit to the RSA in March 1980, P.W. Botha proposed the formation of the “Fourth World”, but Premier Sun politely declined to join the proposed grouping for fear of offending the Arab countries and the USA. The ROC and the RSA had divergent national interests: the RSA intended to embrace Israel and Iran, while the ROC was reluctant to align with Israel and Iran, so as

to ensure its oil supply from Arab countries and arms procurement from the USA. Moreover, from the ROC government's viewpoint, developed countries such as the nations of Western Europe, North America, Australia, New Zealand and Japan were called the "First World"; the USSR and Eastern Europe (formerly Communist states) used to be known as the "Second World"; the developing countries in the tropics or the southern hemisphere were commonly called the "Third World"; in 1971, the Economic and Social Council (ECOSOC) of the UN classified those poor countries with per capita incomes lower than USA\$100 as "the least developed countries" which were commonly called the "Fourth World".<sup>200</sup> However, these undeveloped countries couldn't be compared with the ROC. The success of the ROC's economic development in the four decades from the 1940s to the 1980s had already won international acclaim as one of the Newly Industrializing Countries (NICs) in the world community. In 1980, the ROC per capita national income had already reached USA\$2,155.<sup>201</sup> Therefore, judging from the standard of living and the conditions of economic and social progress and development, the ROC government felt that if the ROC joined the "Fourth World", it would automatically degrade itself into one of the least developed backward countries which was contrary to the true situation of the ROC. Consequently, the divergent standpoints and the difference of national interests had made it impossible for the two countries to form the "Fourth World". The proposed plan of forming a "Fourth World" did not materialize.<sup>202</sup>

The second case in point was the two countries' futile attempts of mutual diplomatic support. It was agreed that each country was supposed to give necessary diplomatic support to the other by lobbying its close diplomatic allies to improve their relations with the other country. The ROC was expected to approach Lesotho, Swaziland and Malawi as well as other developing countries which maintained diplomatic relations with the ROC such as Saudi Arabia, South Korea, Costa Rica, Paraguay, El Salvador, Guatemala, Haiti, Honduras, Liberia and Nicaragua to mend relations with the RSA. The RSA undertook to urge Botswana, U.K., France and West Germany to enhance relations with the ROC. Although each government did try its very best to approach those target countries, attempts were unsuccessful with the exception of Malawi,

Swaziland and Paraguay. These three countries maintained cordial relations with the RSA mainly through the RSA's own efforts. The failure of the diplomatic efforts of the ROC and the RSA could be seen from the case of Lesotho. By the beginning of the 1980s, the relations between South Africa and Lesotho were deteriorating rapidly. This was mainly due to Lesotho's harbouring of the ANC activists and its frequent condemnations of apartheid policies in the world forums. In addition, Lesotho alleged that SADF assisted the dissident Lesotho National Liberation Army (LNLA). In order to improve relations between South Africa and Lesotho, Premier Sun was approached by Pik Botha to mediate a settlement. Therefore, during his visit to the RSA in March 1980, Premier Sun extended his visit to cover Malawi, Lesotho and Swaziland. He paid an official visit to these three countries from 17<sup>th</sup> to 20<sup>th</sup> March, 1980. While he was conversing with the then Prime Minister of the Kingdom of Lesotho, Leabua Jonathan, Premier Sun raised the issue pertaining to the improvement of relations between Lesotho and South Africa.<sup>203</sup> The mediation, however, was fruitless. Unlike great powers, the ROC lacked effective leverage to resolve the conflicts. The animosity between Lesotho and the RSA was too deep to be bridged by a third country. After Premier Sun's failed attempt, the then ROC Minister of Foreign Affairs, Fu-sung Chu, tried to persuade Lesotho to improve its relations with South Africa to no avail. He visited Lesotho during the period of June 8<sup>th</sup>-10<sup>th</sup>, 1981 after his official visit to the RSA to attend the 20<sup>th</sup> anniversary of the RSA from May 28<sup>th</sup> to June 4<sup>th</sup>, 1981. He also took this opportunity to call upon the leaders of Malawi during 4<sup>th</sup>-8<sup>th</sup> June, 1981 and his counterpart and the King of Swaziland during 11<sup>th</sup>-14<sup>th</sup> June, 1981. He didn't succeed either. It was clear that as a small country, the influence of the ROC on the leadership of Lesotho was limited. As a matter of fact, Lesotho severed its diplomatic relation with the ROC on May 14<sup>th</sup>, 1983 and recognised the PRC instead. While Lesotho was breaking off diplomatic relations with the ROC, the South African government was unable to help the ROC either. The case of Lesotho was evidence of the failure of the two countries' mutual diplomatic support. Despite the joint strenuous efforts, the two countries did not make much progress in restoring their international positions before February 1990 as a result of enforced isolation.<sup>204</sup>

Thirdly, in the case of Rhodesia (Zimbabwe), the joint diplomatic efforts of the two ideologically like-minded states turned out to be disastrous. As both governments detested the two Communist-supported liberation movements of ZANU and ZAPU, in particular the Mozambique-based ZANU wing of the Patriotic Front, the South African government sought the help of the ROC to provide financial assistance to the newly-installed transitional government of Bishop Abel Muzorewa so as to smooth the transformation from a white minority controlled Rhodesia under Ian Smith to a moderate black dominated Zimbabwe-Rhodesia under Muzorewa.<sup>205</sup> From the standpoint of South African leaders, Zimbabwe-Rhodesia was considered a strategically important country in terms of the RSA's national security perimeter and geographic proximity.<sup>206</sup> Namibia was perceived as of similar importance. In order to prop up the moderate, anti-Communist transitional government in Zimbabwe-Rhodesia, the Vorster government had provided eighty thousand Rand (R80,000) (approximately one million USA dollars at that time) in a secret fund to the electoral campaign of Bishop Muzorewa's party, the United African National Council (UANC).<sup>207</sup> The Botha government, furthermore, stepped up its substantial support for Bishop Muzorewa's government.<sup>208</sup> Four hundred motor vehicles were made available for the UANC.<sup>209</sup> The South African based Anglo-American corporation secretly contributed USA\$5 million to Muzorewa's electoral campaign.<sup>210</sup> The South African government also sought the assistance of the ROC government in the provision of secret electoral funding to the UANC.<sup>211</sup>

Based on intelligence assessment made by the South African government, it was predicted by South African official circles that the moderate multi-racial composition of the Muzorewa regime would surely attain the electoral victory, and that the outside world would recognise Muzorewa's government and lift sanctions against Zimbabwe-Rhodesia.<sup>212</sup> The white intellectuals in Rhodesia and South Africa were of similar opinion. In December 1977, an opinion poll was conducted by the Department of Political Science of Rhodesia to survey the black voters. The result of the said poll showed that 65% of those polled black voters would "support" Muzorewa, 15% for Joshua Nkomo, 10% for Edson Sithole, and 5% for Robert Mugabe.<sup>213</sup> In fact, the majority of black Zimbabwean voters did not reveal their real intention and so the poll

was misleading. The ROC government was a bit sceptical about Muzorewa's electoral chances. Acting upon the RSA's advice, the ROC government provided fifty thousand USA dollars (\$50,000) for Muzorewa's electoral campaign in February 1980.<sup>214</sup> However, the election result turned out to be a great surprise for the South African government: Mugabe won the election. He had an overwhelming majority of 57 out of 80 seats in the Zimbabwean Parliament. Mugabe's victory had shattered the "constellation" blueprint of the Botha administration.<sup>215</sup> The misjudgement of the political development in Zimbabwe affected the confidence of the ROC government in the reliability of South African intelligence assessment.<sup>216</sup>

As a result of the debacle in Zimbabwe, despite the extensive high-level exchanges and various forms of co-operation between the ROC and the RSA, there was growing concern in the ROC official circle that after the fall of Zimbabwe into the hands of Marxist Mugabe, South Africa would surely face a combination of reduced growth, higher inflation and serious payment imbalance in the 1980s. Both countries were worried by "the deteriorating international situation ...and the continuing pathetic indulgence in illusion and wishful thinking on the part of the West, and the Communist and Marxist debilitating and emaciating tactics".<sup>217</sup>

This perception was clearly reflected in a confidential report filed by the ROC Ambassador H.K. Yang to the ROC government on August 15<sup>th</sup>, 1980 indicating that:

With regard to the diplomatic co-operation of the two countries in consolidating their international status, I had written a letter to the RSA Minister of Foreign Affairs Pik Botha on March 27<sup>th</sup>, 1980 on this particular issue expressing the hope of keeping in touch with him to pursue this matter. But as I see it, in the wake of Mugabe's electoral victory, South Africa is battling on several fronts: on the one hand, she needs to cope with the new Marxist Mugabe regime; on the other hand, she must concentrate her attention on South West Africa (Namibia) so as to prevent the repetition of the advent of another debacle; in the meantime, she is

increasingly worried about the international economic sanctions and the involvement of the UN in the problem of South West Africa. Therefore, in terms of international power politics, South Africa is actually powerless and not in a position to help us forge closer relations with other countries.<sup>218</sup>

The above-mentioned evidence mirrored the limits of ROC–RSA diplomatic alliance. The two countries' different diplomatic policies were even more evident in regard to the homelands. The ROC government refused to recognise the homelands and they were regarded as inextricably part of South Africa.

Although there were constraints and limits for these two small and medium states' diplomatic/political alignment as described above in terms of the capability to give real effective diplomatic support to the other country, the inter-state linkages between the ROC and the RSA grew steadily during the 1980s. The strategic goals and national interests of these two countries were basically convergent throughout the years from the 1970s to the 1980s for almost two decades. For the purpose of continued national survival and economic development, the two countries strove to stand closely together to weather internal and external challenges. The setting up of diplomatic channels, together with the frequent high-level exchanges and the erection of the frameworks of bilateral agreements were the pillars of the close relation and co-operation between the ROC and the RSA during the era of alignment and diplomatic ties.

### **3.7 THE UNCERTAINTY OF ROC–RSA RELATIONS**

However, the political situation in South Africa was rapidly changing by the year 1989. The collapse of Communist systems and the weakening of the South African economy prompted black and white South Africans to recognise the necessity of a negotiated political settlement in a no-win stalemate of the long drawn-out struggle.<sup>219</sup> In January 1989, P.W. Botha suffered a stroke. On February 2<sup>nd</sup>, 1989, F.W. de Klerk became leader of the ruling National Party, and on September 20<sup>th</sup> of the same year, De Klerk



was sworn in as Executive State President of the RSA. He was determined to accelerate the process of political reform initiated by P.W. Botha and to further embark on fundamental changes in the social, economic and political system. On the occasion of opening parliament on February 2<sup>nd</sup>, 1990, De Klerk proceeded to unban the ANC, the SACP and other black political organisations, and to promise to release political prisoners. On February 11<sup>th</sup>, 1990, he released Nelson Mandela after 27 years in prison. The apartheid laws were gradually dismantled. The Separate Reservation of Amenities Act was abolished in June 1990; the Land Act, Group Areas Act, and Population Registration Act followed a year later. The winds of change were blowing in South Africa. The release of Mandela and other political prisoners, the lifting of the state of emergency, the unbanning of the ANC, the SACP and other black political movements and De Klerk's announcement of the government's intention to repeal all remaining apartheid laws had paved the way for negotiations towards a peaceful settlement. In December 1991, a forum for negotiation, namely the Convention for a Democratic South Africa (CODESA), was established to find a mutually acceptable form of transition and government for the new South Africa. Black and white leaders were working for a negotiated settlement with some form of power-sharing from 1990 onwards. It was through negotiation that a new South Africa was emerging and the old order came to an end. From 1990, the Afrikaners managed to successfully unshackle themselves from the bondage of apartheid, and both Afrikaners and Africans agreed to accept reconciliation, reconstruction and black majority rule in lieu of violent conflict and political fragmentation. During April 26<sup>th</sup>-29<sup>th</sup>, 1994, the first democratic election was held in South Africa. On May 10<sup>th</sup>, 1994, Mandela was inaugurated as President of the RSA, and an interim Government of National Unity (GNU) was formed to govern the new South Africa.<sup>220</sup>

The advent of the process of change in South Africa was to have a profound effect on South Africa's foreign relations, particularly on ROC-RSA ties. The ending of apartheid had enabled South Africa to rid itself of the stumbling block of the international isolation. As the legitimacy of the South African government was no longer questioned because of the domestic policies it pursued, South Africa had gradually discarded pariah status

and normalised its foreign relations. The gradual normalisation of South Africa's foreign relations and its reintegration with the world could be seen from Mandela's remarks made in the UN General Assembly in December 1991. He pronounced that "the New South Africa will seek to normalise its relations with the rest of the world, and gain full integration into the community of nations".<sup>221</sup> In February 1992, De Klerk was even more gratified to announce at the World Economic Forum in Switzerland that "Another major consequence of the process of change...has been the ending of our international isolation. The normalisation of our foreign relations has proceeded as rapidly as normalisation inside South Africa. It has been an enormously rewarding experience for us".<sup>222</sup>

In contrast with South Africa's return to normality, the ROC's pariahhood and isolation remains unchanged. Its isolator, namely the PRC, is still deliberately imposing wholesale enforced isolation against the ROC. Under the concerted pressure and enforced ostracism made by the PRC, the diplomatic situation of the ROC became even more isolated although it was still an economic power-house in the first half of the 1990s. In 1994, only 29 countries continued to recognise the ROC.<sup>223</sup> Among them, South Africa was the largest. The number of countries which recognised the PRC was around 155 in 1994.<sup>224</sup> The ROC is ostracised by the PRC, and prevented from participating in major international organisations such as the UN, IMF, the World Bank and UNESCO.<sup>225</sup>

The dawning of a new and democratic South Africa and the events leading up to this political transformation had brought forward a phase of transition for South Africa's China policy. During this transition period (1990-1994), as the PRC was emerging as a major world power, the De Klerk administration had come to see the need to improve South Africa's relations, and establish unofficial ties, with the PRC. To this end, Pretoria resumed its contact with Beijing and proceeded to prepare the ground for opening up relations with the PRC after 1990.

As a matter of fact, this was not a new policy, and De Klerk simply continued to pursue what had been started in the past. Prior to 1990, the NP government had made clandestine contacts with the PRC, and both the RSA and the PRC secretly provided weapons to UNITA.<sup>226</sup> As early as the 1970s, attempts were made by the Department of Information of the RSA to establish some kind of contacts with the PRC.<sup>227</sup> At a low ebb of relations with the Western powers when the South African government was deeply alienated by the indifference and hostility of the West, the Vorster administration, in particular the RSA Department of Information, was contemplating to shift the RSA's traditional Western alignment to befriend the PRC.<sup>228</sup> The motives were manifold. The main objective was based on the assumption that the Soviet Union was a real threat to Africa and the common enemy of the RSA and the PRC. Therefore, the RSA and the PRC should form an anti-Soviet coalition, but the close ROC–RSA links should not necessarily be jeopardised. By doing so, it was intended to send a clear signal to Western powers that their unjustified hostilities were actually compelling South Africa to approach the PRC. Besides, it was also envisaged that the vast size of market in mainland China would render some potential economic benefits for South Africa. In order to pursue the RSA–PRC anti-Soviet coalition, arrangements were made by Eschel Rhodie, the then Secretary of Information, to have secret contacts with ambassadors of the PRC in the Netherlands and Canada, and Chris Barnard, a renowned heart surgeon, was chosen by Rhodie to act as an unofficial envoy to meet with the PRC's ambassador in the Hague. The then Minister of Information, C.P. Mulder, even made public statement that “my enemy's enemy is my friend.”<sup>229</sup> The PRC was willing to establish some contacts with the RSA and Barnard was prepared to visit Beijing for the discussion of further details of contacts. However, Mulder's statement of the said initiative had generated negative public response in South Africa.<sup>230</sup> The negative public reaction led Vorster to veto Mulder's plan of establishing relations with the PRC in the 1970s.<sup>231</sup>

Although the RSA's initiative to explore the possibility of establishing relations with the PRC during Vorster's era did not succeed, the PRC never ceased its trading with South Africa, throughout the 1980s to the birth of new South Africa in 1994, despite the PRC's

claim that it merely “resumed” trade and economic relations with South Africa in October 1993.<sup>232</sup> From 1979 when the USA switched recognition from the ROC to the PRC, the NP government started to assign its officials to visit mainland China secretly each year so as to approach Beijing to offset the Soviet Union's threat in the region of southern Africa.<sup>233</sup> Nevertheless, it was apparent that the PRC did not consider it politically correct to have formal links with the RSA at the time, although Beijing had no problem in doing business and having contacts with Pretoria secretly through Hong Kong or a third country. However, after 1989, both the RSA and the PRC moved one step further to expand bilateral relations – the commencement of mutual exchange of visits by the high-ranking officials of the two countries.<sup>234</sup>

As from 1990, the PRC saw the change of South Africa's political situation and openly expressed its desire to establish diplomatic links with the RSA.<sup>235</sup> On December 19<sup>th</sup>, 1991, the PRC and the RSA made a simultaneous announcement that semi-official representative offices would be set up in the other country's capital. In February 1992, the so-called “Chinese Centre for South African Studies” was established in Pretoria. A similar office under the name of “South African Centre for China Studies” began operating in March 1992 in Beijing.<sup>236</sup> These two offices performed consular functions and enjoyed diplomatic status. They were de facto embassies without flags. In spite of its endeavours to open up relations with the PRC, the De Klerk administration, however, did not rush to cut off diplomatic relations with the ROC. The diplomatic links between the ROC and the RSA remained unaffected by Pretoria's engagement with the PRC during 1990-1994. The complex issue of the “two Chinas” was left to the incoming government to resolve. The year 1994 marked the end of the RSA's cordial partnership with the ROC.

### **3.8 SUMMARY**

The period 1976-1989 witnessed the close partnership which existed between the ROC and the RSA. The two countries began to prepare the ground for the establishment of

diplomatic relations as from 1970 when the RSA upgraded its consular mission in Taipei to a consulate-general. However, it was 1971 that was the turning point of ROC–RSA relations. In this year, the ROC not only lost its seat in the UN Security Council, but also suffered a serious diplomatic and security adversity as the USA’s revised its China policy. The ROC experienced a series of diplomatic setbacks during 1971 to 1979. During this period, the RSA faced similar diplomatic ostracism and security threats, both from within and without. In the face of adversity, the two governments decided to forge closer ties from the mid-1970s. In 1976, the ROC and the RSA established full diplomatic relations. These relations flourished with the passage of time, as there were manifold considerations for the ROC and the RSA to form a close partnership, other than shared international isolation. Apart from this factor, national security, economic needs, nuclear and military co-operation and diplomatic alignment were important motives for the close partnership between the two countries. Both the ROC and the RSA enjoyed the warm cordiality of bilateral exchanges and co-operation throughout P.W. Botha’s years (1978-1989). Following the advent of F.W. de Klerk’s political reform, the underlying basis and common ground of the special relationship gradually disappeared. From 1990 to 1994, as a result of the change in the RSA’s domestic and international circumstances and the emergence of divergent interests, the ROC–RSA bilateral relations entered into a period of transition from alignment to uncertainty.

## FOOTNOTES

### CHAPTER III

1. See R. Suttner, "Dilemmas of South African Foreign Policy: The Question of China" in South Africa and the Two Chinas Dilemma p.4; and M. Havenga, "The Dilemma of the Two Chinas: An Economic Perspective" in S.A. and the Two Chinas Dilemma, p.32.
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17. Ibid., p.761.
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23. Ibid., p.9.
24. Ibid., p.10.
25. Ibid., pp.12-13.
26. MOFA, White Paper, p.236.
27. Ibid., p.233.
28. H.M. Tien, The Great Transition, p.223, table 9.1.
29. MOFA, White Paper, p.228.
30. Tien, The Great Transition, p.221.
31. MOFA, White Paper, p.233, Table 4-1-1.
32. Y.S. Wang (ed.), Foreign Policy of the Republic of China on Taiwan: An Unorthodox Approach, p.10.
33. MOFA, White Paper, p.196.
34. Ibid., p.28.
35. The Department of Legal Affairs, MOFA, 我國與世界各國關係 – 覽表 (The ROC's Relations with Other Countries in the World), Dec. 1997 edition, p.2.
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37. See Shanghai Communiqué, US Department of State Bulletin, Vol. 66, No.1708, March 20th, 1972, pp.435-438.
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39. Li, (ed.) The Future of Taiwan, pp.2-3.

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75. L. Du, 南非大選暨中斐關係之展望 (S.A. General Election and the Prospect of ROC–RSA Relations), p.14.
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92. TLO Archives, Pretoria: 孫院長運璿訪斐案 (Premier Y.S. Sun's Visit to the RSA), The ROC Embassy's Confidential Telex No. 692, February 25<sup>th</sup>, 1980, p.1.
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97. *Ibid.*
98. *Ibid.* File: Premier Sun's Visit to the RSA, Premier Sun's telex to President Chiang, No.266, March 12<sup>th</sup>, 1980, pp.2-6.
99. *Ibid.* File: Fourie's Visit, telex 492, October 8<sup>th</sup>, 1979.
100. *Ibid.*
101. *Ibid.*
102. *Ibid.*
103. See the Ministry of Foreign Affairs, Kingdom of Swaziland, Directory of the Diplomatic Corps and International Organisations, January 1988, pp.59-60.
104. *Ibid.*
105. *Ibid.*, Minister R.F. (Pik) Botha's letter of Oct. 1st, 1979 addressed to Ambassador H.K. Yang, p.1.
106. *Ibid.*
107. *Ibid.*, telex No. 407 of Oct. 19th, 1979 sent by MOFA to the ROC Embassy in Pretoria.
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114. *Ibid.*, The ROC Embassy's Telex No. 478, September 21<sup>st</sup>, 1979, p.3.
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139. Ibid.
140. Ibid.
141. Ibid., Speech made by Prime Minister P.W. Botha during a banquet hosted by Premier Y.S. Sun at the Mount Nelson Hotel, Cape Town, on March 12<sup>th</sup>, 1980, p.1.
142. Ibid.
143. Ibid., speech made by Premier Y.S. Sun at the dinner in honour of Prime Minister P.W. Botha at the Mount Nelson Hotel, Cape Town, on March 12<sup>th</sup>, 1980, p.2.
144. Ibid., P.W. Botha's speech at the Mount Nelson Hotel, Cape Town, on March 12<sup>th</sup>, 1980, p.2.
145. Ibid., Speech made by Prime Minister P.W. Botha during a banquet held in honour of Premier Y.S. Sun on March 11<sup>th</sup>, 1980 at Cape Town, pp.2-3.
146. Ibid.
147. Ibid., The ROC Embassy's telex No. 839 to the MOFA, February 26<sup>th</sup>, 1982, pp.2-3.
148. Ibid.
149. Ibid.
150. Ibid.
151. The Star, August 18<sup>th</sup>, 1980.
152. TLO Archives, Pretoria: 波塔總理訪華案 (Prime Minister P.W. Botha's visit to the ROC), Vol. 1, The list of the persons accompanying Prime Minister P.W. Botha and Mrs Botha on their visit to the ROC, pp.1-3.
153. Ibid.
154. C.H. Chang, "ROC-RSA Ties: A New Era Ushers In" in Asian Outlook, Vol. 15, October 1980, p.31.
155. Ibid., p.35
156. Ibid.
157. Ibid., p.34.
158. Ibid., p.32.
159. TLO Archives, Pretoria: P.W. Botha's Visit to the ROC, telex 691, September 15<sup>th</sup>, 1980, p.2.
160. Ibid., Programme for the Visit of Prime Minister of the RSA and Mrs P.W. Botha to the ROC, October 13<sup>th</sup>-18<sup>th</sup>, 1980, p.2.
161. Ibid., Vol. 1., MOFA's telex No. 527, February 28<sup>th</sup> 1980, p.2.
162. Ibid.

163. Ibid., Vol.2., The ROC Embassy's telex No. 017 to MOFA of October 15<sup>th</sup>, 1980 reflected that the liberal English newspapers such as The Star, The Rand Daily Mail and Sunday Tribune often criticised the ROC Government, in particular the lack of freedom of expression in the ROC at the time.
164. Ibid. See also The Daily News, November 28<sup>th</sup>, 1996 and The Citizen, February 18<sup>th</sup>, 1997, p.12.
165. C.H. Chang, "ROC–RSA Ties", p.33.
166. Ibid.
167. Ibid.
168. Ibid.
169. Ibid.
170. Ibid., p.35.
171. Ibid. pp.32-35.
172. TLO Archives, Pretoria: 朱部長撫松訪斐案 (The Visit of Minister Fu-sung Chu to the RSA), Vol. 1, 朱部長撫松訪問南非綜合報告 (The ROC Embassy's Comprehensive Report on the Visit of Minister Fu-sung Chu and Mrs Chu to the RSA attached to the ROC Embassy's dispatch No. 429 to MOFA dated June 10<sup>th</sup>, 1981), pp.1-4.
173. Ibid.
174. Ibid., p.3.
175. The Citizen, June 5<sup>th</sup>, 1981.
176. Beeld, June 4<sup>th</sup>, 1981.
177. Ibid.
178. The Citizen, June 5<sup>th</sup>, 1981.
179. Ibid.
180. Transvaler, June 5<sup>th</sup>, 1981.
181. Ibid.
182. TLO Archives, Pretoria: 波塔總理訪華案 (Prime Minister P.W. Botha's visit to the ROC), Vol. 2, 中國國民黨中常會第 189 次會議紀錄 (The Minutes of the Meeting of Central Standing Committee of the Kuomintang, October 22<sup>nd</sup>, 1980), pp.2-3.
183. See Y.S. Wang, "Foundation of the Republic of China's Foreign Policy" in Foreign Policy of the Republic of China on Taiwan, p.10. See also L.M.S. Slaweki, "The Two Chinas in Africa" in Foreign Affairs, Vol. 41, January 1963, pp.398-409.
184. From 1948 to May 20<sup>th</sup>, 2000, when the DPP rose to power, all of the ROC's Ministers of Foreign Affairs were mainlander, with the exception of Lien Chan (half mainlander). See MOFA, Annual Statistics, 1998, pp.22-23, and Annual Statistics, 1999, p.21.
185. The ROC Embassy, Pretoria: 南非現況簡介 (Briefing on the Current Situation of the RSA), 1982, p.12.
186. Ibid.
187. Geldenhuys, "The Head of Government and South Africa's Foreign Relations", p.281.
188. Ibid., p.278.
189. See MOFA 中外條約輯編索引 (Index to the Agreements and Treaties concluded by the ROC with various countries), May 31<sup>st</sup>, 1993, pp.45-47.
190. Hu, The Strategic Significance of the ROC, p.349.
191. Ibid.
192. TLO Archives, Johannesburg: Office of the Economic Counsellor of the ROC Embassy Johannesburg, 南非經濟簡報 (Briefing on the Economy of the RSA), 21<sup>st</sup> issue, July 16<sup>th</sup>-31<sup>st</sup>, 1983, p.19.
193. Ibid.
194. Ibid.
195. Ibid.
196. Ibid.
197. See TLO Archives, Pretoria: Files of Exchange of Visits between the ROC and the RSA, Vol.1, 2.
198. See the ROC Ministry of Economic Affairs, the List of the Implementation of the ROC–RSA Annual Ministerial Trade and Economic Meetings, November 13<sup>th</sup>, 1996, Despatch No.85302032, pp.2-15.
199. Quoted by D. Geldenhuys, "The Head of Government and South Africa's Foreign Relations" p.281.



200. See the feature article entitled “第四世界” (“The Fourth World”) published by the KMT’s party organ, 中央日報 (Central Daily News), Taipei, on March 4<sup>th</sup>, 1984.
201. Ibid.
202. Ibid.
203. TLO Archives, Pretoria: 朱部長撫松訪斐案 (Premier Sun’s Visit to the RSA), 行政院孫院長訪問南非綜合報告 (The ROC Embassy’s Comprehensive Report on Premier Sun’s Visit to the RSA), Dispatch No. 0260, April 8<sup>th</sup>, 1980, pp.2-3.
204. Ibid., 朱部長撫松訪斐案 (Minister F.C. Chu’s Visit to the RSA), The ROC Embassy’s Comprehensive Report on Minister F.C. Chu’s Visit to the RSA, p.4.
205. Ibid., The ROC Embassy’s Telex No. 692, February 25<sup>th</sup>, 1980, pp.1-2.
206. Jaster, The Defence of White Power, p.84.
207. Ibid., p.85.
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210. Ibid.
211. TLO Archives, Pretoria: 駐南非大使館專題報告: 羅德西亞概況 (The ROC Embassy’s Report on Rhodesia), March 20<sup>th</sup>, 1978, p.29.
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213. Ibid.
214. Ibid.
215. Jaster, The Defence of White Power, p.88.
216. TLO Archives, Pretoria: Report on Rhodesia, p.29.
217. TLO Archives, Pretoria: Ambassador H.K. Yang’s Confidential Telex No. 909 to MOFA, August 15<sup>th</sup>, 1980, pp.1-4.
218. Ibid.
219. Barber, “Conceptualising For A Democratically Based South African Foreign Policy” in A.J. Venter (ed.), Foreign Policy Issues In A Democratic South Africa, p.6.
220. South Africa Yearbook, 1995, p.41.
221. Barber, “South African Foreign Policy”, p.6.
222. Ibid.
223. The Department of Legal Affairs, MOFA, 我國與世界各國關係一覽表 (The ROC’s Relations With Other Countries in the World), Taipei, December 1997 edition, p.2.
224. Ibid.
225. MOFA, 中華民國八十七年外交年鑑 (The ROC’s Diplomatic Yearbook, 1998), pp.639-641.
226. The Department of African Affairs, MOFA, 南非共和國國情簡介 (An Introduction to the Situation of the RSA), Taipei, August 1994, p.11. See also TLO Archives, Durban: The ROC Consulate-General’s telex No.DN083, 1994, Enclosure p.2. The leader of UNITA, Jonas Savimbi, was trained by the PRC, and he graduated from Nanking Military Academy in Mainland China in the 1960s.
227. Geldenhuys, The Diplomacy of Isolation, p.115.
228. Ibid., pp.115-116.
229. Ibid.
230. Ibid.
231. Ibid.
232. The Department of African Affairs, MOFA, 南非共和國國情簡介 (An Introduction to the Situation of the RSA), p.11.
233. Ibid.
234. Ibid.
235. Ibid.
236. Ibid.; Also see Geldenhuys, “The Politics of South Africa’s ‘China Switch’”; South Africa Yearbook, 1994, pp.145-146. The South African Centre for Chinese Studies in Beijing was officially opened by the then RSA Deputy Foreign Minister, Mr Renier Schoeman, in September 1993.

## CHAPTER IV

### ECONOMIC AND FINANCIAL TIES BETWEEN THE ROC AND THE RSA, 1948-1998

#### 4.1 INTRODUCTION

The economic and financial relations between the ROC and the RSA were one of the most important aspects of the bilateral relations of the two countries. The ROC–RSA economic and financial interaction encompassed trade, investment, tourism, air and sea links, fishing, development aid, loans, technical co-operations and technology transfers.

Similar to the development of ROC–RSA diplomatic relations, the ROC's economic and financial links with South Africa can be broadly divided into three distinct phases: the period of minimal economic contact (1948-1970), the expansion of ROC–RSA economic and financial linkage (1971-1996), and the stagnation of economic and financial relations (1996-1998). Before 1971, the ROC's economic relations with South Africa were of low priority compared to its relations with the USA, Japan and the newly-independent African states. As analysed in Chapter II, during the 1950s and 1960s, the ROC's Africa policy goal was mainly to solicit support from the African states in order to retain its seat in the UN Security Council. In order to garner enough votes to prevent the PRC from entering the UN, the ROC made strenuous efforts to strengthen its relations with the newly-independent African states.<sup>1</sup> In this period, most of the ROC's agricultural and economic co-operation programmes were directed at African countries. The ROC's economic linkage with South Africa was very limited and the financial interrelationship between the two countries was almost non-existent. It was only after 1971 that the ROC was willing to expand its economic and financial relations with South Africa.<sup>2</sup> The period from 1971 to 1996 thus saw the expansion of ROC–RSA economic ties.

The forging of close bilateral economic and financial links between the ROC and the RSA was partially attributable to the existence of the cordial diplomatic relationship during the period 1976-1997, and partially due to the complementary nature of the two economies. ROC–RSA bilateral economic and financial ties expanded at the time through the two governments' promotion of, and joint efforts in, creating an environment conducive to sound and orderly economic development. It was during this period that the ROC and the RSA signed 39 inter-governmental bilateral agreements or treaties including air services, trade, tariffs, shipping, agriculture, science, technology and technical co-operation and the promotion of investment.<sup>3</sup> With these agreements in place, the foundation and framework of the economic links between the two countries had been laid down. The ROC maintained its partnership with the RSA until 1998 when the ANC-led South Africa government completely abandoned this framework following South Africa's recognition of Beijing. The ROC strengthened its economic links with South Africa, and offered various economic incentives to Pretoria with the aim of retaining diplomatic ties with the RSA. To achieve this goal, the ROC's investments, development aid, loans and financing of South Africa's Reconstruction and Development Programme (RDP) were mostly based on diplomatic needs and effected to serve its political and strategic objectives.<sup>4</sup> In addition to the existence of a co-operative framework, the two governments also held regular bi-national ministerial meetings to promote bilateral trade and economic interchanges.

In a purely economic context, the ROC's and the RSA's national interests coincided during the 1980s, and the mutual attraction of the two economies to each other were important factors for the gradual deepening of ROC–RSA economic and financial relations from the 1970s to 1998. As the two economies were basically complementary, the distinct characteristics of the two economies had led each country to pursue common economic and strategic interests, in particular when South Africa's major trading partners imposed international sanctions. Under the threat of economic isolation, the South African government naturally looked to the ROC to assist it in countering the economic sanctions imposed by Western countries.

The ROC regarded the RSA as an ideal partner in Africa to further its own economic and strategic interests because of the RSA's natural and mineral resources, its geographic location and the complementary characteristics of the South African economy. The United States' Department of State summed up the South African economy as an industrialising country with most of the characteristic associated with developing economies – a division between formal and informal sectors, uneven distribution of wealth and income, a dependence on commodity exports, and a legacy of government intervention.<sup>5</sup>

In contrast to the ROC's lack of natural resources, South Africa has a rich resource base. The RSA economy has traditionally relied on mining and agriculture to earn foreign exchange, while the gold and diamond mining industries are key sectors of the economy. The RSA's mineral wealth, in particular its gold resources, has been the cornerstone of its economic development, as it has the largest known deposits of low-grade gold in the world. The gold and diamond mining industries generated large amounts of foreign exchange and made a major contribution to capital formation in South Africa. About 21.2% of the world's gold was supplied by South Africa in 1996.<sup>6</sup> Apart from being one of the largest producers of gold, gem diamonds and platinum, South Africa is a major producer of manganese, chrome, antimony, lithium, asbestos, vanadium, uranium and nickel. These vast natural resources, together with the extensive physical infrastructure, healthy banking system, first world financial markets, a well-organised modern private sector and sound regulatory framework are the positive factors of the South African economy.

However, mining at depth with low-grade ore requires a substantial inflow of large foreign capital and advanced techniques. Consequently, large firms dominated the RSA's private sector, and small and medium enterprises were discouraged. Reliance on the exports of commodities, volatile foreign capital flows, and the domination of conglomerates over the South African economy, together with widespread unemployment, extreme inequality, a shortage of skills, a deep-rooted racial divide, high

levels of crime, low productivity of labour and the inflexibility of the labour market are the negative factors of the South African economy.<sup>7</sup>

Agriculture and mining traditionally have been South Africa's principal earners of foreign exchange. South Africa's agricultural environment and land space are well suited to large-scale farming. In the ROC, the agricultural producers are mainly small farmers engaging in intensive farming of rice, betel nuts, sugar cane, mushrooms, corn, tea, bamboo shoots, watermelons, pineapples, mangoes, bananas, peanuts, pears, grapes and sweet potatoes. The ROC produces sufficient rice and rice wine. But the ROC's rising standard of living and changing diet have boosted the demand for the import of South African products, such as wine and spirits, citrus, apples, fruit juices, and wool. There is also a demand for maize to be utilised as cattle feed. In short, South Africa's major agricultural export products to the ROC are maize, fruit, wine and wool. Wood pulp and chips also provide substantial export earnings for South Africa.<sup>8</sup>

Fishing off the 3,000 kilometre South African coastline is important for the ROC fishing industry. As the ROC is an island country, the Taiwanese people are generally fond of fish. Although the ROC is famous for its high-tech aquaculture which produces a wide range of fish, prawns and eels, deep-sea commercial fishing has become more and more important to the ROC's fishing industry. The growing proportion of deep-sea fishing to the ROC's total fishing production is largely due to declining fish stocks in the Taiwan Straits. Overfishing and pollution from industrial and household waste have depleted the ROC's coastal and offshore fish stocks. It is estimated that the ROC's coastal and offshore fishing yields fell more than 10 percent each year since the beginning of the 1990s. Under such circumstances, fish imports are rising, and the ROC's fishing fleet, which numbers in the thousands, engage in deep-sea fishing that brings home about 50 percent of the catch of its annual fish production.<sup>9</sup>

In the aspect of the manufacturing industry, the ROC is one of the most experienced countries in developing a strong and competitive manufacturing economy. The manufacturing industry is the central nucleus of the ROC's national economy. In 1994,

the manufacturing industry contributed 37.28% of the ROC's GDP, while the contributions of agriculture, mining and trade were 3.57%, 0.4% and 16.9% respectively.<sup>10</sup> Compared to the ROC, manufacturing was relatively unimportant to the RSA's national economy. The South African manufacturing industry's share of GDP was only about 23.4%.<sup>11</sup>

The manufacturing industries of the two countries were thus complementary. Although the RSA has an advanced manufacturing sector, the cost of the production of clothing, footwear, electronics, furniture and other consumer goods was much higher, and not as competitive as the ROC's products. The South African manufacturing industries mostly targeted the domestic high-end market, or at most were regionally orientated, and well protected. The trade unions have further constrained the ability of the South African manufacturing industries to compete internationally with the ROC. Therefore, the market share of the South African manufacturing sector mainly focused on the white market or upmarket social groups who had more sophisticated and expensive tastes.

By contrast, the ROC's low value-added consumer products industry found its niche in the world economy with its competitive lower prices. Due to its lack of strong trade unions, higher productivity and a disciplined workforce, the ROC's manufacturing industries were able in the three decades, from the 1950s until the 1980s, to produce much cheaper, low cost products to compete at the bottom end of the world market. The ROC's Export Processing Zones (EPZs) were designed to promote the export of manufactured goods to the outside world, rather than to the ROC's domestic market. Unlike the South African manufacturing sector, the backbone of the ROC economy is the outward-orientated, small to medium enterprises focusing on international trade with both advanced and developing countries. These export-related cheap products were well suited to the RSA's lower income group, which was dominated by the black community, even though the latter's purchasing power was comparatively lower than the white community.<sup>12</sup>



As to trade relationships, foreign trade is an important factor, not only in the ROC's economic development, but also in its external relations. This is due to the fact that the ROC is one of the world's leading trading nations. In terms of the aggregate value of imports and exports, the ROC ranked among the 15 largest trading powers internationally between the 1970s and 1996. Foreign trade, in particular export, contributed greatly to rapid economic growth and the realisation of full employment. To sustain its export-orientated industrial economy, the ROC had to continually find new markets to which it could export its manufactured products. ROC-made goods covered a wide range of products, including textiles, electronics, metal products, machinery, clothing, footwear, furniture, chemicals, auto parts, computers, giftware, sporting goods, plastic and rubber equipment and processed agricultural products. Most of these products were the output of the ROC's labour-intensive industries. Exports of the above-mentioned, low-cost, low-value added consumer goods, not only helped the ROC achieve high-level economic growth, but also ensured that consumers in the world enjoyed reasonable quality products at very competitive prices.<sup>13</sup>

From 1949 to 1997, the ROC economy went through three phases of development. During the 1950s, its development was focused on agricultural growth and import-substituting industries. The ROC started to introduce some export promotion measures such as the custom duty rebate on exports in the late 1950s. But the ROC's real export expansion drive was initiated only a decade later. It was during the 1960s and 1970s that the ROC government encouraged the expansion of labour-intensive industries aimed at the export market. A series of economic reforms and steps were implemented. The most noticeable ones were the establishment of several EPZs, the introduction of a five-year income-tax holiday for selected industries and the setting up of various industrial parks. As a result of the ROC government's vigorous promotion of trade and industries, the prime focus of the economy shifted from agriculture and domestic import-substitution development to export orientation. Taking advantage of its efficient, low-cost labour, the ROC was able to penetrate world-markets.<sup>14</sup>

Despite the ROC's diplomatic setbacks, the period of the 1970s and 1980s witnessed the rapid growth of the ROC's foreign trade and the establishment of basic and heavy industries. Ten major development projects and twelve new development projects were executed in 1973 and 1978 respectively, to upgrade the ROC's infrastructure, highways, harbours and airports. During the 1980s, the ROC re-orientated its economy from that of labour-intensive industries to a new phase of high technology, capital-intensive industries. A programme for the development of science and technology was formulated in 1980. The Institute for Information Industry and the Hsinchu Science-Based Industrial park were set up. The ROC economy continued to expand during the 1980s and 1990s.<sup>15</sup>

However, the ROC's economic success also generated its own problems, and conditions began to deteriorate as from the late 1970s and during the 1980s. The combination of the scarcity of land, labour shortages, increased labour costs, the rise of militant, independent trade unions, environmental degradation, appreciation of the New Taiwan Dollar (NT\$), trade protection of developed countries and increasing foreign competition, led the ROC entrepreneurs to seek new low-cost production sites, such as mainland China, South East Asia and the RSA, during the 1980s. While the majority of the ROC manufacturing enterprises relocated their factories and equipment to the nearby Chinese mainland, South East Asia and East Asian regions, some investment went to the RSA, mainly to the former homelands of South Africa.<sup>16</sup>

Nevertheless, the ROC's traditional major markets were the industrialised Western countries, Middle Eastern and Asian states or economic entities such as Japan, Hong Kong, Singapore, Indonesia and South Korea. During the period 1975-1985, 41% of the ROC's total two-way foreign trade dealt with North America, 31.7% with Asia, 10.7% with Europe, 7.7% with the Middle East, 3.5% with Oceania, 2.4% with Latin America and 2.1% with Africa.<sup>17</sup> The ROC's top eleven major exports markets during this period were: USA, Hong Kong, Japan, West Germany, Canada, Australia, Singapore, UK, the Netherlands, Indonesia and Saudi Arabia.<sup>18</sup>

In order to lessen dependence on the USA, and a few other major trading partners, the ROC government made an effort to diversify its export markets as from the 1980s. The ongoing market diversification was one of the factors that prompted the ROC to develop closer trade and economic ties with the RSA. The problem of quotas was another contributing factor that motivated the ROC's entrepreneurs to relocate their enterprises to South Africa. The ROC's main trading partners, the USA and the European Community, imposed quantitative restrictions on the annual quotas of ROC exports to those markets, and the quotas were hard to obtain as from the second half of the 1980s. Consequently, the ROC's exporters saw South Africa not only as a potential new market, but also as an opportunity to get quotas to export their products to the USA and Europe and the rest of the African continent as well.

#### 4.2 THE EVOLUTION OF ROC-RSA TRADE RELATIONS

As already indicated, before 1971, the ROC government was anxious to gain the support of the newly-independent African states. Therefore, the ROC had kept the RSA at arm's length and trade relations between the two countries were negligible. However, from 1949 to 1971, the African continent as a whole, had been unimportant to the ROC's exports. And the opposite was also true: geographically and historically, the ROC was never an important traditional trading partner for South Africa. Apart from this geographic and cultural remoteness, there was not much inter-trade or any significant economic linkage between the two countries prior to the 1960s. The small portion of trade that existed between the ROC and RSA was largely irrelevant to each country's international business. From 1949 to 1951, the volume of the ROC's bilateral trade with the African continent was so small that The Statistical Yearbook of the Republic of China did not even list its trade figure with Africa. The ROC's official record of trade between the ROC and Africa started from 1952 when the ROC's exports to the whole of Africa amounted to USA\$6.43 million, and the ROC's imports from Africa were USA\$946,000. The total value of the two-way trade between the ROC and Africa was

USA\$ 7.38 million in 1952.<sup>19</sup> In the composition of the ROC's external trade, the bilateral trade between Africa and the ROC was of no importance prior to the 1970s.

The bilateral trade between the ROC and South Africa in the 1950s was also rather insignificant. For example, in 1952 the combined value of exports from the ROC to South Africa and southern Rhodesia was a mere 0.01% of the ROC's total exports. The combined imports from South Africa and southern Rhodesia made up only 0.07% of the ROC's overall imports. In dollar terms, the value of the ROC's exports to South Africa and southern Rhodesia in 1952 was NT\$82,000 which was equivalent to USA\$5,659.07 at the exchange rate of NT\$14.49 to USA\$1.00, and the value of the combined imports from South Africa and southern Rhodesia was NT\$1178,000 which was equivalent to only USA\$81,297.44.<sup>20</sup>

In the decade between 1960 and 1970, the two-way trade between the ROC and the RSA remained largely unchanged. The ratios of the ROC's exports to the RSA and the ROC's imports from the RSA fluctuated from 0.02% to 0.25% of the ROC's respective imports and exports.<sup>21</sup>

From the above analysis, it is clear that from 1949 to 1970, the trade/economic relations between the ROC and the RSA were very limited. During these twenty-one years, the ROC merely maintained low-level consular links with the RSA. However, after 1971, following the gradual cementing of bilateral diplomatic relations, the bilateral trade relations between the two countries were on the rise. The value of the ROC's imports from the RSA in 1971 was almost double the amount of 1970. The amount of the ROC's imports from the RSA increased from NT\$118,369,000 (the equivalent of USA\$3,123,192.60) in 1970 to NT\$253,842,000 (the equivalent of USA\$6,697,678.10) in 1971. Imports from South Africa, in the ROC's total imports from overseas, expanded from 0.19% in 1970 to 0.34% in 1971. The amount of the ROC's exports to South Africa grew steadily after 1971, although exports did not increase as dramatically as the ROC's imports from South Africa in the same period. In 1961, ROC's exports to South Africa were valued at NT\$1,231,000 (equivalent to USA\$30,751.93), and increased to

NT\$294,991,000 (equivalent to USA\$7,773,148.80) by 1971. In percentage terms, the ROC's total exports increased from 0.02% in 1961 to 0.37% in 1971.<sup>22</sup>

The year 1971 marked the ousting of the ROC from the UN. As a result of its departure, the ROC government was free to strengthen relations with the RSA without fear of losing the support of the African states in the UN. Taipei viewed the RSA as a strategic partner and as a provider of natural resources, mineral supplies and agricultural products for the ROC, as well as a market and gateway for the ROC manufactured products in southern Africa. In order to keep up its economic development, the availability of minerals and other raw materials, such as maize and wood pulp, was very important to the ROC's industrialised economy. While the ROC became more and more isolated following diplomatic setbacks from the 1970s, there was a deep concern among the ROC leadership over the security of mineral supplies and a pervasive fear of the disruption of resource supplies.<sup>23</sup>

The South African government also saw advantages in economic co-operation with the ROC. Faced with growing ostracism from the Western economies and the gathering momentum of international sanctions and boycotts, the South African government was anxious to enhance economic and trade relations with the ROC. To facilitate the interaction of bilateral trade and economic co-operation, the rudimentary mechanisms of promoting bilateral trade were established during the period 1972-1975. The most noticeable ones were the 1972 Maize Trade (procurement) Agreement between the Board of Foreign Trade, Ministry of Economic Affairs of the ROC and the Maize Board of the RSA; the 1975 Trade Agreement between the government of the ROC and the government of the RSA; and the establishment of the Office of the Commercial Attaché of the ROC in Johannesburg in 1974. The 1975 Trade Agreement between the ROC and the RSA granted each other most-favoured nation status. As a result of the setting up of the mechanisms of commercial linkage, the ROC-RSA bilateral trade increased rapidly as from 1973 onwards. The total two-way trade between the two countries increased from R30.506 million in 1973 to R38.834 million in 1974, R69.606 million in

1975 and further to R77.862 million in 1976. Within three years, the volume of two-way trade had more than doubled<sup>24</sup> (See Table 5).

The 1976 establishment of full diplomatic relations between Taipei and Pretoria provided further momentum to the development of economic ties. While many countries distanced themselves from the RSA, the ROC sought closer ties in spite of the fact that from 1974 the South African government was faced with daunting domestic and international challenges. On the domestic front, the South African government's harsh suppression of the black youths uprising in 1976 not only intensified opposition, but also triggered off an economic downturn during 1976-1977. On the international front, the ring of neighbouring white buffer zones such as Mozambique, Angola and Rhodesia, either collapsed or were about to collapse, and military conflicts moved southwards, closer to South Africa's doorstep. Although the RSA restored its internal stability, and its economy recovered by 1978, the RSA was still in crisis. The economic upswing lasted only until 1981 when economic recession set in for almost a decade.

From 1977, the two-way trade between the two countries grew at a much faster pace. The volume of two-way trade soared to USA\$118.78 million in 1977, to USA\$190.06 million in 1978, to USA\$685.896 million in 1981, USA\$912.796 million in 1987 and USA\$1.749 billion in 1988 respectively.<sup>25</sup> By 1987, the ROC had become one of South Africa's top ten trading partner.<sup>26</sup> (See Table 6 for annual trade figures).

The emergence of the RSA's economic crisis in the 1980s, and the subsequent uncertainty of the ROC-RSA bilateral diplomatic relations in the 1990s did not however hinder the growth of bilateral trade and economic ties between the two countries. The ROC tried its utmost to expand bilateral trade and deepen economic co-operation so as to keep its diplomatic relations with South Africa.

The trade flows between the ROC and the RSA during 1990-1997 reflect a similar trend of rapid growth. The ROC was one of the leading top ten countries that imported South African goods. In 1994, the ROC ranked as South Africa's seventh largest trading

partner with a total two-way trade of USA\$1.623 billion (equivalent to R5.35 billion). There was a surplus of R664 million in the RSA's favour. In 1995, the ROC took 3.2% of the South Africa's total exports, amounting to R3.2 billion, next only to Italy (R4 billion, 3.6%) and the PRC/Hong Kong (R3.4 billion, 3.3%).<sup>27</sup> Germany, UK, USA, Japan, the PRC/Hong Kong, Italy, Switzerland, the ROC, Zimbabwe and Belgium were South Africa's top ten trading partners.<sup>28</sup> The details of the increase of the ROC–RSA bilateral trade in the 1990s are shown in Table 6.

Nonetheless, the bilateral trade between the ROC and the RSA constituted a small portion of each countries external trade. In terms of the ROC's exports, South Africa's imports from the ROC were a mere 0.48% of the ROC's total exports to overseas markets in 1979. By 1982, this percentage increased to 1.2%. The ROC became South Africa's ninth most important supplier of various manufacturing products. In 1988, the RSA absorbed about 1.1% of the ROC's total exports. However, the ROC's trade with South Africa has never exceeded 2% of the ROC's total external trade. From 1990 onwards, the importance of the ROC's exports to South Africa gradually decreased. During the 1990s, the average percentage of South Africa's imports from the ROC was a mere 0.71% of the ROC's total exports. The ROC–RSA two-way trade was about 0.8% of the ROC's total annual trade.<sup>29</sup>

In terms of the ROC's imports, in 1979 South Africa's exports took up 1.45% of the ROC's total imports. By 1986, the bilateral trade between the ROC and the RSA accounted for 3% of South Africa's foreign trade. In 1997, the ROC's imports from South Africa were 3.2% of South Africa's total exports.<sup>30</sup>

In conclusion, the establishment of diplomatic relations in 1976 provided further momentum to the expansion of the ROC–RSA two-way trade. Bilateral trade between the ROC and the RSA grew at a fast pace during the 1980s and the first half of the 1990s when the two countries still maintained diplomatic relations. The trade balance was in South Africa's favour. In 1977, one year after the formation of diplomatic ties, South Africa enjoyed a trade surplus of USA\$57.522 million. By 1979, the trade surplus

grew to USA\$137.382 million. In the late 1980s, South Africa's trade surplus with the ROC was nearly three to four times that of the 1970s. For instance, in 1988, South Africa enjoyed a surplus of USA\$404.253 million and in 1989, the RSA trade surplus was USA\$280.69 million. During the 1990s, South Africa still ran a moderate trade surplus. In 1990, the trade surplus with the ROC was USA\$414.379 million, and it decreased to USA\$326.546 million in 1991. The RSA's trade surplus, however, soared to USA\$554.900 million in 1992 and further to USA\$724.500 million in 1993. Nevertheless, as from 1994, the RSA's trade surplus became much smaller than in the preceding three years. The figures dropped from USA\$724.5 million in 1993 to USA\$201.147 million in 1994, USA\$174.155 million in 1995, USA\$139.04 million in 1996, USA\$259.816 million in 1997 and further down to USA\$112.233 million in 1998.<sup>31</sup>

#### **4.3 THE COMPOSITION OF ROC–RSA BILATERAL TRADE**

Bilateral trade between the ROC and the RSA was structured along North–South lines; the RSA exported mineral products, base metals and raw materials to the ROC, and in return imported ROC manufactured goods.

According to the 1996 reports made by the ROC Embassy and the Economic Division of the Taipei Liaison Office (TLO) in the RSA (as the Embassy was renamed after the severance of diplomatic ties), the main commodities exported by the RSA to the ROC were: (1) minerals: such as coal, gold briquettes, ovoid and similar solid fuels manufactured from coal, titanium ores and concentrates; (2) base metals: such as ferro alloys, unwrought aluminium, semi-finished products of iron and non-alloy steel, ferrous waste and scrap, remelting scrap ingots of iron and steel as well as refined copper and copper alloys; (3) chemicals and wood pulp (dissolving grades and soda or sulphates) and other fibrous cellulose material; (4) agricultural products: such as maize, wool, wine and drink, and food; (5) articles of stone and metal; and (6) motor vehicles.<sup>32</sup>



From the above list, it is clear that South Africa's principal exports to the ROC were minerals and primary products. Some of the above-mentioned mineral products and base metals such as titanium, ferro alloys and aluminium were strategically important to the ROC's industries. However, other exporting countries, such as Australia, Canada and the USA, could easily substitute some of the mineral products. The availability of iron, gold, wood pulp, maize, wine and wool was a case in point. The ROC purchased these products from the RSA because of diplomatic considerations, as well as an attempt to diversify sources of supply.<sup>33</sup>

South Africa's imports from the ROC comprised mainly manufactured goods and light industry consumer products. In the 1980s, the ROC's major export items to the RSA were machinery, mechanical appliances, electrical equipment, radios, sound recorders, woodwork tools, electrical cables and wires, accessories of sound articles, sewing machines, air compressors, pumps, electrical fans, television sets, auto parts, articles of base metals (locks, pipes, pliers), yarns, textiles, woven fabrics, garments, shoes, umbrellas, plastic flowers, toys, travel bags, suitcases, bicycles, sports' equipment, and optical, photographic and medical apparatus. The ROC's top three products exported to the RSA during the 1980s were: (1) machinery, mechanical appliances and electrical equipment (23.2–27.4%); (2) textiles and textile articles including garments (24.1%–24.5%); and (3) footwear, headgear, umbrellas and plastic articles (8.1%).<sup>34</sup> However in the 1990s, as the South African economy had once again become integrated into the international market, and as the ROC textiles could no longer compete with cheap products from newly emerging developing countries with their massive, less expensive labour supply, such as mainland China, the ROC has moved away from textiles and footwear products to computer and cybernetic devices. In 1998-1999, the RSA's top three imports from the ROC were (1) computer parts and accessories (27.2%); (2) factory equipment and machines for processing (21.3%); and (3) motor vehicle parts and accessories (14.5%).<sup>35</sup>

The change in the composition of the ROC's exports to South Africa reflects the fact that the ROC succeeded in upgrading its labour-intensive light industries to science and

technology based high-tech industries during the 1980s. The restructuring of the ROC economy has enabled it to produce more sophisticated products, with wider profit margins that can absorb escalating high wage levels.

#### **4.4 BILATERAL INSTITUTIONAL STRUCTURES TO STRENGTHEN ROC–RSA ECONOMIC AND TRADE INTERACTIONS**

In order to tackle the various issues arising from bilateral economic relations and to promote trade and investment, the two countries founded institutional structures. A two-tier approach was adopted to strengthen bilateral economic ties. The first tier was the inter-governmental level, the second, the people-to-people level.

On the inter-governmental level, the two governments initiated the ROC–RSA Ministerial Conference on Economic and Technical Co-operation in 1977. This Ministerial Conference, similar to a bi-national commission, took place once a year alternatively in the respective capitals of the two countries. Initially, the ROC–RSA Ministerial Conference was co-chaired by the Vice-Minister of Economic Affairs of the ROC and the Deputy Minister or Director-General of Industries and Commerce and Consumer Affairs of the RSA during 1977-1978. From 1979 onwards, based on the recommendation made by the South African government, the Ministerial Conference was upgraded to the level of full Ministers. In 1979, the Conference, co-chaired by Kwang-shi Chang, Minister of Economic Affairs of the ROC, and S.W. van der Merwe, Minister of Industries and Commerce and Consumer Affairs of the RSA, was held in Pretoria during November 11th-16th. Senior officials of the relevant ministries or organisations of the two governments, such as the RSA's Council for Scientific and Industrial Research (CSIR), the ROC's National Science Council (NSC), the RSA's Department of Finance, Department of Agriculture, Department of Tourism, Customs and Excise of both countries, the RSA's Department of Transport, National Calibration Service (NCS), South African Iron and Steel Corporation (ISCOR), the ROC's Ministry

of Transportation and Communication, National Bureau of Standards and China Steel Corporation were also invited to attend the annual conference.<sup>36</sup>

On the people-to-people level, several institutions were established by the two countries to serve as forums for the business sector to develop links and exchange views with each other. The most notable organisations were the RSA/ROC Chamber of Economic Relations (also known as SAROC) in Pretoria and its counterpart, the ROC/RSA Economic Council (also known as ROCSA) in Taipei, which were established simultaneously in 1982. The members of ROCSA and SAROC were comprised of private and parastatal enterprises. The principal goal of ROCSA and SAROC was to facilitate the exchange of visits between the private sectors of the two countries, closer co-operation of the organisations which had been established to promote trade and the enhancement of ROC–RSA economic and trade relations.<sup>37</sup> The first Chairman of ROCSA was the Chairman of the Board of Directors of the Taiwan Power Company (Taipower), Lan-kao Chen. Although ROCSA and SAROC survived the severance of diplomatic ties, the said two organisations were not very effective in terms of the promotion of bilateral interactions, except the arrangement of annual meetings.

The contact between the China External Trade Development Council (CETRA) and the South African Foreign Trade Organization (SAFTO) was another channel of interaction at the private business level. The principal function of CETRA was, and still is, to advance closer co-operation between the ROC government and industries to develop foreign trade relations with its trading partners. To achieve this end, CETRA gathers trade information, conducts market research, promotes made-in-Taiwan products, organises exhibitions, offers convention venues, and trains business people. Assisted by CETRA, 13 countries, as well as 14 American states and the American Institute in Taiwan (AIT) have set up trade offices in the Taipei World Trade Centre (TWTC). Five Central American countries, namely Costa Rica, El Salvador, Guatemala, Nicaragua and Honduras, established a joint Central American Trade Office at the TWTC in 1998-1999.

Interaction between CETRA and SAFTO was frequent during the 1980s. For example, between 1981 and 1982, CETRA organised four trade missions to visit South Africa. Before 1997, the ROC had participated in most of the South African exhibitions, such as the Rand Show, the Building Material Show and the Fashion Trade Fair. On the South African side, SAFTO also organised many trade missions to visit the ROC to promote trade during the 1980s. For instance, in May 1980, SAFTO arranged for a group of industrialists to visit Taipei. They were extremely well received by the ROC government and private sector, and a successful conference was held on technical co-operation between the two countries. In 1982, the Cape Town Chamber of Commerce, the Johannesburg Chamber of Commerce and the Durban Chamber of Commerce arranged several trade missions to visit the ROC. A number of selling assignments to Taipei were undertaken by SAFTO's subsidiary, SAFMEX, to market South African products. In the later part of the 1980s, the exchange of visits continued. The two organisations regularly exchanged trade information and hosted economic seminars.<sup>38</sup>

As a result of the promotion of CETRA and SAFTO, the ROC–RSA private sectors' ties were cordial. Individual businesses, banks, trade associations, as well as various sectors of commerce and industry and the Chambers of Commerce and Industry of the two countries maintained close contact during the 1980s. The South African Federated Chamber of Industries signed a “Sisterhood Relationship Agreement” with the ROC National Association of Industry and Commerce in 1980. These promotional activities made by the respective private sectors of the two countries, in conjunction with the inter-governmental Ministerial Conference, contributed a great deal to the enhancement of ROC–RSA economic and trade ties.

#### **4.5 ROC INVESTMENT IN THE RSA**

In the 1980s, South Africa's economy was in crisis and there was stagnation in economic growth: growing unemployment; the outflow of capital; the refusal of Western banks to extend further loans and new credits; the 1985-1986 debt crisis; the decline in

foreign exchange reserves; a weak Rand; and a severe balance of payments instability.<sup>39</sup> This economic crisis was attributable to a combination of factors. The notable immediate causes were domestic political tensions; a spell of drought; heavy military spending; the impact of the downward trend of the world economy; the fall of the gold price in 1983; heightening international economic sanctions; and the financial crunch of 1984-1985. However, the crisis was also in part due to South Africa's economic structure. As indicated in the introduction to this chapter, the South African economy was heavily dependent on mining and exports of minerals and raw materials. For capital goods, machinery and investments, the RSA was reliant upon Western powers. South Africa's domestic savings were too scant to fund its own economic growth. During the 1980s, five Western states accounted for 90% of all foreign investment in South Africa; half of the total foreign investment came from the UK, and about 20% came from the United States. The bulk of the rest came from Germany, France and Switzerland.<sup>40</sup> The structural problems were not only due to the above-mentioned over-dependence on primary exports and foreign capital, but also the militant and politicised trade unions and the highly skewed income distribution. Therefore, as a result of these structural weaknesses, when the gold price and the profitability of investment were high, and there was an inflow of foreign direct investment, South Africa's economy enjoyed rapid growth. However, foreign investment in the 1970s was in decline after the oil shock of late 1973 and this, compounded with the outflow of capital in the 1980s, manifested slow economic growth.<sup>41</sup>

The other major cause of South Africa's economic recession in the 1980s was the re-emergence of political conflict during the 1980s and the subsequent economic sanctions imposed against South Africa by the major Western powers. The introduction of a new constitution of three chambers of Parliament in 1984, and the escalating regional conflicts resulting from the adoption of the "total strategy", triggered serious protest and violence by the majority African population inside South Africa. The repression of the heightened protest and opposition, in turn, sparked the escalation of internal pressures and the imposition of economic sanctions against South Africa. Internal black opposition interacted with external pressures. Western governments were pressured to

act decisively against South Africa. Sanctions were thus stepped up after 1984. All OPEC member states imposed an embargo on the sale of oil to South Africa. A growing number of countries, including all OECD members, imposed restrictions on new investments and loans and on the export of high technology goods to South Africa. Even the imports of Kruger Rands, iron, steel, coal, uranium, agricultural products and textiles were banned or restricted by a number of countries such as India and the Scandinavian states. In addition, there were numerous restrictions on air links, and most OAU member states severed air links with the RSA. The United States Congress passed the Comprehensive Anti-Apartheid Act of 1986 to introduce stringent measures against South Africa.

The imposition of international economic sanctions had detrimental effects on the South African economy, particularly on its finance. Major foreign banks, following the lead of Chase Manhattan in New York, refused to roll over maturing short-term loans to South Africa; the Rand dropped to under 35 USA cents in 1985, depreciating by over 40% against the USA dollar during that year. In July 1985, the South African government declared a state of emergency, and on August 27, 1985 Pretoria imposed a four-month moratorium on the repayment of foreign debt, amounting to about half of its total of USA\$23.8 billion. In the meantime, exchange control on capital transfers by non-residents was re-introduced in the form of the financial Rand.<sup>42</sup>

As the economic sanctions were tightened, there was a net outflow of capital, and very little capital inflow to South Africa during the 1980s. By 1986, Western firms started to pull out of the RSA. During a time span of eighteen months, from January 1985 to June 1986, 55 USA companies left South Africa, including General Motors and IBM.<sup>43</sup> South Africa's uranium exports to the USA were halted by September 1987, and total exports to the USA dropped 40%. The fall of the gold price and the recession of the economy had reduced the volume of South Africa's foreign reserves to an amount equivalent to a mere three months merchandise exports.<sup>44</sup>

Confronting the economic crisis and the drying up of capital inflow for its economy, the South African government looked to the ROC as a source of investment to substitute the lost capital that flowed out of South Africa through disinvestment. In order to tackle the massive unemployment in the rural areas, as well as to sustain the legitimacy of the homeland governments and to curb urban migration, the RSA formulated its industrial decentralisation policy as early as 1960. However, the ROC investors only started to relocate their factories after 1981. The industrial decentralisation programme was designed by the South African government to counter the over-concentration of industries in or near white urban areas, and because there was a surplus of labour in the rural black homelands. Attractive incentives, such as rebates on the cost of relocation, subsidies providing for the cost of training workers, rebates on wage bills and tax concession benefits were offered by the various Industrial Development Corporations (IDCs) to both local and foreign entrepreneurs to establish industries in the decentralised industrial areas inside the homelands and border regions. These areas included Dimbaza, Sada, Butterworth, Bisho, East London, Birlin, King William's Town, Isithebe, Ladysmith, Newcastle, Richards Bay, Qwaqwa, Ga-rankuwa, Thaba Nchu, Botshabelo, Witsiehoek, Selosesha, Pietersburg and Tzaneen. These IDCs were semi-official institutions and were funded either directly or indirectly by the state. They assisted entrepreneurs who were interested in decentralisation, or relocation from Taiwan to South Africa with finance, relocation of industries and leasing factory shells or buildings at relatively low interest rates. The IDCs undertook to develop and provide infrastructure and basic facilities in the above-mentioned areas for the industrialists.<sup>45</sup> For the South African government, the ROC was considered as an important strategic partner to serve as a source of investment for the homelands to create new jobs and economic growth, and to mitigate the loss of trade with its traditional trading markets in the West, as many Western companies chose to disinvest and withdraw from South Africa in the 1980s.<sup>46</sup>

The decentralisation policy was well suited to the ROC's labour-intensive industries. The incentives offered were attractive to industrialists who were keen on moving their factories from Taiwan to other countries. Apart from the attractive incentive package,

the ROC investors were also delighted to note that trade unions were not active in the homelands. The homelands governments restricted trade unions because they were regarded as a political threat and a stumbling block to foreign investment. Moreover, the South African government was at the time so friendly towards ROC investors that it often readily granted residence permits and allowed their families to stay in the white areas as from the mid-1980s. In contrast to Taiwan's congested social environment and expensive labour costs, the good living conditions, low wage rates, full diplomatic ties, excellent infrastructure and high standard of education were other factors that lured ROC investors to South Africa.

In the meantime, an important official guideline was adopted by the leadership of the ROC government during the 189<sup>th</sup> meeting of Central Standing Committee of the Kuomintang, the ROC's ruling party, held on October 22<sup>nd</sup>, 1980, shortly after P.W. Botha's visit to the ROC but before the visit of the then ROC Foreign Minister, Fu-sung Chu, to South Africa. Chu was designated to present a report entitled "the Iran-Iraq Conflicts and the Official Visit of P.W. Botha to the ROC" in the course of the meeting.<sup>47</sup> After considerable deliberations, a guideline was adopted by the meeting which was presided by the then ROC Premier Sun Yun-suan to intensify economic co-operation, procurement of minerals such as uranium, coal, iron ore and energy-related products such as steel, copper and aluminium from South Africa. During the meeting, Sun made it very clear that the ultimate goal of ROC-RSA ties was to take advantage of South Africa's minerals, energy resources and metal products to promote the ROC's economic development.<sup>48</sup> In accordance with the spirit of the said guideline, the domestic policies of the RSA such as apartheid, the homelands, democracy and human rights were not the concern of the ROC government.<sup>49</sup> From the ROC government's perspective, relations with South Africa were seen as important in the context of two aspects: first, diplomatically, the RSA was the largest and economically most significant of the 30 countries that maintained diplomatic relations with the ROC rather than the PRC; and second, economically, the two economies were complementary, and the RSA was in a position to provide the ROC industrialists with natural resources, bulk commodities, raw



materials, cheap labour and a potential market. Therefore, a resolution was made to deepen ROC–RSA economic co-operation.<sup>50</sup>

Conforming to the above-mentioned guideline, although the ROC entrepreneurs had associated themselves with the decentralisation policy of the South African government by investing or relocating their industries to the homelands, the ROC government, however, neither officially recognised the legitimacy of the homeland governments nor gave them political support.<sup>51</sup> The investments flowing into the homelands were an act of economy made by Taiwanese companies which had nothing to do with the ROC government. According to the research done by Geoffrey Roger Woods, a former Ph.D. student of Ohio University, who completed his dissertation on “Taiwanese Investment in the homelands of South Africa”, the investment of Taiwanese manufacturing industries in South Africa was simply due to the fact that “by the early 1980s, the interests of the South African state and small scale Taiwanese capital coincided,” and that “the South African government wished to attract investment into the homelands as part of its restructuring, and Taiwanese investors were attracted to the South African homelands in their search for cheap labour necessary to maintain profitability in certain highly competitive sectors of the world economy.”<sup>52</sup> For these reasons, many of the so-called “twilight industries” in Taiwan, such as footwear, clothing and textile plants, started to relocate to South Africa during the 1980s.<sup>53</sup>

The industrial relocation process began from 1980 when the ROC government commenced to restructure and move away from the low-cost, labour intensive industries to high-tech enterprises by announcing the Ten Year Textile Industry Revitalization Plan. In addition to the momentum of the ROC government's policy of economic structural change, the ROC domestic situation also contributed to the outflow of capital and enterprises to other countries. In the 1980s, the ROC's problematic domestic situation was characterised by a rising foreign exchange rate, escalating labour costs, the threat of protectionism, Third World competition and the degradation of the environment.<sup>54</sup> These domestic factors further pushed the ROC industrialists to

relocate their factories and investments to South Africa as the optimum site for low cost, labour-intensive productions.

ROC investments poured into South Africa at a steady rate during the 1980s. In 1985, there were 35 ROC companies operating in the homelands. By the end of 1987, the ROC investments in South Africa amounted to USA\$100 million, and the number of ROC firms in the homelands had increased to 80. One year later, this figure rose to 120.<sup>55</sup> By 1989, ROC investors had transferred USA\$300 million to South Africa and ROC firms had created 40,000 industrial jobs. It was estimated that half of all new factory employment created in the homelands under the decentralisation policy of the 1980s was from ROC factories.<sup>56</sup> By 1991, the number of factories further increased to 250.<sup>57</sup>

From April to June 1996, the Embassy of the Republic of China in Pretoria instructed the three Consulates-General in Cape Town, Durban and Johannesburg to jointly conduct a census to find out the exact total number of ROC factories in South Africa. According to the census report, which was released on July 25th, 1996, an estimated amount of USA\$1.5 billion (R6.45 billion at the 1996 exchange rate) had been invested in South Africa by ROC businessmen and this had created over 41,240 jobs. In 1996, the RSA's total Chinese population, including South Africans of Chinese descent, was 27,515 persons. Of this, 13,176 had come from Taiwan. In total, there were 620 ROC firms in South Africa.<sup>58</sup>

These firms, by the nature of their operations, can be divided into two sectors: the industrial sector and the commercial/service sector. In the industrial sector, there were 280 ROC factories, employing 36,224 people, of which 32,690 workers were Africans. As compared with 285 factories in 1993, there was a slight decrease during 1993-1994. The decrease was due to variety of factors, including increased factory automation to the adverse effect of corruption in customs, political uncertainty and labour militancy. In the five years between 1991 and 1996, approximately 50 factories shut down or moved elsewhere, but about the same number of new, more sophisticated factories took their

place. However, growth in the commercial and service sectors among South African residents from the ROC more than made up the value, if not the drop in employment, in the manufacturing sector. In 1996, there were 340 businesses operated by ROC businessmen, including among others, banking, ocean freight, import-export and wholesale distribution. These companies employed approximately 5,012 people of which 2,694 are Africans. By 1996, taken as a whole, these businesses owned by the Taiwanese had an annual turnover of R8.54 billion. Annually, they imported goods worth R1,700 million and exported R682 million worth of products, earning precious foreign exchange for South Africa. As the low export figure shows, their economic activity was, and still is, largely inward-looking, instead of using South Africa as an export base for the rest of the continent.<sup>59</sup> Two-thirds of these factories are involved in the labour-intensive clothing, garment manufacturing and textile sector. According to the 1996 census, the breakdown of the 280 factories in the industrial sector is shown as Table 7.

In terms of geographic distribution, most of these factories have been concentrated in industrial parks in the former homeland areas, because of the South African government's decentralisation policy. According to the 1996 census, Newcastle had 48, followed by Botshabelo (37), Ladysmith (26), Ciskei (20) (13 of which in Dimbaza), Isithebe (19), Johannesburg (16), Thaba Nchu (14), KwaNdebele (13), Durban and Bloemfontein (11 each), Transkei (10) (7 of which in Umtata), Babalegi and Kimberly (6 each), Ga-rankuwa, Harrismith and Mgwase (5 each), Venda and East London (3 each) as well as Pretoria and Pietersburg (2 each).<sup>60</sup> The rest were, and are, scattered around various locations in South Africa. If divided by province, KwaZulu-Natal plays host to 40% of them, no doubt this is due to the fact that Durban is the port of entry for raw materials and that the Taiwanese are accustomed to the warm and humid climate there.

On a whole, most of the Taiwanese-owned factories are in the traditionally lower-tech manufacturing industry and are located in rural areas where unemployment is high. However, the ROC high-tech investors also have a presence in the RSA. The Acer

group has its Africa regional office in Johannesburg. In addition, the RSA Mustek group, invested by a ROC national, C.C. Kan, produces locally the well-known Mecer computer brand in Midrand. In 1998, Mustek supplied and held 15.7% of the South African PC market, and for the first two quarters of 1999, its local market share was extended from 20% to 22.2%. In the past decade, Mustek has grown significantly. Its annual sales increased from R20 million in 1987 to R1.3 billion in 1999.<sup>61</sup>

In the commercial and service sectors, most of the 340 companies deal with the import and export of both raw materials and finished products. (Table 8 shows the breakdown according to the 1996 census). Based on the 1996 census figures, by far the largest concentration of these commercial and service establishments were in Gauteng, totalling 197, of which 169 are in Johannesburg. KwaZulu-Natal accounted for 61, with 34 companies in Durban and 20 in Newcastle. The Western Cape had 30, 29 of which are in Cape Town. Twenty-one of these companies were based in the Free State, 15 of them in Bloemfontein, while there were 11 in the Northern Province, 8 in Mpumalanga, 7 in the Eastern Cape, 4 in the Northwest and only one in the Northern Cape.<sup>62</sup>

In the clothing and textile sector, there are 44 Taiwanese factories making knitted or embroidered sweaters scattered across the former homelands areas. All depend on the ROC-based Derlon Spinning (Pty) Ltd. to supply polyester yarn, dyed to their specifications, as raw material. The Derlon Group, which consists of Derlon Dyeing (Pty) Ltd., Derlon Twisting (Pty) Ltd. and Sunlit Fashions (Pty) Ltd., employs 1,000 workers in Ladysmith who work in two shifts. The company has reached an agreement with the South African Clothing and Textile Workers Union (SACTWU) and enjoys peaceful labour relations. This should set an example to other Taiwanese manufacturers. Another 44 factories are engaged in producing garments other than sweaters, aimed mainly at the export market.<sup>63</sup>

Most investors are small to medium enterprises, and the owners usually run the businesses themselves. Only the Bank of Taiwan (SA) Ltd. is a subsidiary of the state-owned Bank of Taiwan of the ROC. According to the United Kingdom magazine, The

Banker, which lists the world's top 1,000 banks, the Bank of Taiwan ranks 107th in the world. The Standard Bank rates 185th. In 1996, the Bank of Taiwan (SA) Ltd.'s loan portfolio consisted of USA\$110 million and R64 million, a total of R537 million.<sup>64</sup>

ROC entrepreneurs who started to invest in South Africa from the early 1980s have made a meaningful contribution to the economic development of South Africa. They have partly alleviated the job creation needs of the former homelands areas, and the economically peripheral parts of the country. However, by defying the international economic sanctions and investing in the homelands, the ROC was perceived by the trade unions and the ANC as according tacit support to the homelands and racial policies of the South African government. The leadership of South Africa's trade unions also accused some of the ROC investors of exploitation of cheap labour, misuse of incentives, paying low wages and poor labour standards. Some members of SACTWU, the Congress of South African Trade Unions (COSATU), the South African Communist Party (SACP) and the ANC thus detested the ROC. In the eyes of many in the government of National Unity (1994-1996), in particular the pro-Beijing faction, the ROC was regarded as having supported the South African apartheid government.<sup>65</sup> In contrast with the PRC's support for the liberation movement, the ROC's open dealings with the previous National Party government acted against the ROC's efforts to maintain diplomatic ties with the new South African government. An invisible pressure was constantly exerted on former president, Nelson Mandela, to correct the perceived historical injustice.<sup>66</sup>

#### **4.6 AIR AND SEA LINKS**

In 1979, during the ROC–RSA Ministerial Conference on Economic and Technical Co-operation, both sides agreed that an aviation agreement should be drafted to establish a direct weekly flight between the two countries. In March 1980, when the ROC Prime Minister, Sun Yun-suan, paid an official visit to South Africa, six bilateral agreements were signed. These agreements included the ROC–RSA Bilateral Air Service

Agreement, the Agreement between the government of the ROC and the government of the RSA for the Reciprocal Treatment of Navigation, and the Agreement on Mutual Exemption from Income Tax pertaining to Navigation and Aviation. The ROC–RSA Bilateral Air Services Agreement was amended on November 15th, 1991.<sup>67</sup>

On the basis of the Bilateral Air Services Agreement, South African Airways (SAA) began a weekly round-trip flight between Johannesburg and Taipei in November 1980, and increased its direct flights to twice a week from November 1987 until December 5th, 1996 when the ROC Minister of Foreign Affairs, John Hsiao-yen Chang announced the suspension of the said agreement. In accordance with the Air Services Agreement, SAA and China Airlines were South Africa's and the ROC's designated carriers. The agreed upon route was Johannesburg, Mauritius, Hong Kong, Taipei. The air traffic rights between Hong Kong and Taipei were negotiated with the UK, as Hong Kong was still a British colony at the time.<sup>68</sup> Apart from SAA, the ROC's China Airlines also introduced its own direct weekly flight between Taipei and Johannesburg during 1991-1996. All together, the two airlines had three flights a week between the two countries. These two airlines not only provided a regular direct passenger flight for tourists, business people and visitors between Johannesburg and Taipei, but also carried mail, freight and business goods. The first South African Airways (SAA) flight departed from Johannesburg on Monday, November 3<sup>rd</sup>, 1980 at 8:05 am and touched down at Taipei in the morning of November 4<sup>th</sup>, 1980 at 5:35 am. The return flight left Taipei on the same date at 8:10 am and arrived at Jan Smuts Airport in Johannesburg at 6:30 pm.<sup>69</sup> This was an epoch-making event. Although the two countries are geographically far apart, the ROC–RSA direct air service had brought the two states much closer. The direct air-links served to facilitate the development of air transportation, the exchange of visits and tourism. This, in turn, further strengthened economic, cultural and other relations. The direct air service made it possible for business people of the two countries to save travelling time and facilitated emergency supplies, in particular electronic components, computer parts and software. As the direct flight made it possible for ROC visitors and tourists to avoid the hassle of transiting in a third countries, it boosted ROC investment, South African tourism, the travel industry and the

development of the South African electronics and computer industries from the 1980s until December 1996, when the SAA direct flight to Taipei was suspended.<sup>70</sup>

Due to the three direct flights a week between Taipei and Johannesburg, the number of tourists from the ROC to South Africa increased. The state-funded South African Tourist Corporation (Satour) set up a branch office in Taipei in the late 1980s. South Africans visiting the ROC increased from 1583 in 1980, to 4254 in 1982 and to 5490 in 1986.<sup>71</sup> Many tourists were attracted by South Africa's richly endowed natural beauty, in particular the country's magnificent wild animal and plant life. In 1994, 28,868 tourists from the ROC visited South Africa while 6698 South Africans visited the ROC. In 1996, the number of ROC tourists to South Africa grew to 35,142. However, after the change of ROC–RSA relations in 1998, the number of tourists to each country declined considerably. The number of tourists from the ROC decreased from 35,142 in 1996 to 18,412 in 1997 and 18,591 in 1998 while the number of South African visitors to the ROC dropped from 6,698 in 1994 to 4,000 in 1997 and 3,500 in 1998.<sup>72</sup> This decrease is largely due to South Africa's rampant crime, economic recession, the Asian financial crisis, and the suspension of direct flights between Taipei and Johannesburg.

South Africa's commercial shipping company, the South African Marine Corporation Limited (Safmarine), started its regular service to the Far East including Taiwan in 1967.<sup>73</sup> But real co-operation in the shipping field swung into action as from 1980. As described above, the ROC had signed the Agreement for the Reciprocal Treatment of Navigation with South Africa in March 1980. This paved the way for the further expansion of shipping links between the ROC and the RSA. During the 1980s, in addition to Safmarine, three Taiwanese companies entered the shipping business to vie for the increasing shipping demands. These were Nantai Shipping Lines, Uniglory Marine Corporation and Kien Hung Shipping SA (Pty) Ltd. Uniglory Marine Corporation is a subsidiary of the Evergreen Group, which owns the largest container fleet in the world and has twelve ships on this route. Uniglory's associate company, Green Africa Shipping (Pty) Ltd., operates container yards in Durban and Johannesburg, a fleet of trailer trucks, and acts as a customs broker for its clients.<sup>74</sup>

With the afore-said shipping companies competing for shipping requirements, the trade between the ROC and the RSA was well served. Their vessels regularly called at ROC seaports such as Keelung and Kaohsiung and South African ports such as Durban and Cape Town. The Safmarine ships were mainly equipped to handle all kinds of dry bulk cargo and fruit as well as other perishable export trade, whereas the three ROC companies catered for general containerised cargo. While these four shipping companies were in operation, the ROC investors were able to reduce the capital and operating costs, and the regular shipping service helped to draw closer links between the two geographically distant countries.<sup>75</sup>

Competition in shipping between Taiwan and South Africa was so keen that it greatly benefited the end-consumer and the bilateral trade of the two countries. When Nantai Shipping Line first introduced a regular service between Keelung and Durban in 1982, the charge for transporting a standard 20-ft container was between USA\$ 1,800 and USA\$ 2,000. By the middle of the 1980s, the three shipping companies had a total of 26 vessels plying between Taiwan and South Africa, some of which went on to Latin America after stopping at Cape Town. There was a ship leaving Taiwan every other day, the voyage took only three weeks, and the freight charge had dropped to just USA\$ 1,000. Just in terms of empty containers, these three lines maintained about 7,000 containers in South Africa worth about R90 million.<sup>76</sup>

However, after the severance of diplomatic relations, Nantai Shipping Lines and Kien Hung Shipping experienced great difficulties in floating through the changes in the political and economic environments. The economic recession in South Africa and the Asian financial meltdown of 1997-1998 also impacted adversely on their profits. Subsequently, Nantai Shipping terminated its shipping operations between the ROC and the RSA from September 1999. Nevertheless, Uniglory Marine Corporation, Kien Hung Shipping and Safmarine are still operating at present.



#### 4.7 BANKING AND THE ROC'S FINANCIAL ASSISTANCE TO THE RSA

In order to facilitate trade and financial co-operation, the ROC and the RSA set up banking branch offices in each other's countries. In 1989, Standard Bank of South Africa established a branch in Taipei to promote business investments. In April 1992, the ROC's state-owned Bank of Taiwan opened its branch office in Rosebank, Johannesburg to assist Taiwanese investors and to provide loans to the RSA's parastatal corporates. These two banks' branch offices in the respective capitals have not been affected by the severance of diplomatic relations and are still operating actively at the present moment. The branch office of the Bank of Taiwan has sustained itself with over 30% growth each year since its establishment and ranks 25th amongst the RSA's fifty banks. The Bank of Taiwan is a significant purchaser of RSA government bonds and, in conjunction with other international banks, has participated in financing several RSA parastatal projects for Eskom, Telkom, Transnet, the Industrial Development Corporation and Durban harbour. Since 1992, the Bank of Taiwan has loaned approximately USA\$300 million to various South African enterprises.<sup>77</sup>

The provision of a fixed rate re-lending facility was made available to the RSA's financial institutions by the ROC's Export-Import Bank of China. At the ROC-RSA Ministerial Meeting in 1980, the ROC announced that it was to open a line of credit to banking institutions at fixed interest rates to encourage the export of capital goods to the RSA.

It was recorded that during the period from 30 September 1982 to November 1982 alone, the Export-Import Bank of China extended a total amount of USA\$7 million credit line under its fixed rate re-lending facility to South Africa's commercial banks. USA\$1.5 million was provided to the French Bank of South Africa, USA\$2 million to Barclays National Bank, USA\$1 million to the Trust Bank of Africa Ltd., USA\$500,000 to Nedbank Ltd., and USA\$2 million to the Standard Bank of South Africa for re-lending to the clients of these banks. This included end-users and dealers to assist in their

purchase of non-project-related capital goods produced in the Republic of China with an aggregate gross purchase price less than USA\$1 million per transaction.<sup>78</sup>

A similar provision of low-interest credit facility was also made available by the RSA to the ROC through the International Commercial Bank of China (ICBC) for the importation of South African products. Nevertheless, as the ROC importers were mostly self-sufficient, the credit facilities provided by Nedbank to the amount of USA\$10 million and by Standard Bank to the amount of USA\$5 million were rarely used. However, the ICBC once utilised USA\$7,440,000 under the refinancing facility provided by Nedbank.<sup>79</sup> Apart from the above-mentioned low-interest trade credit facilities, the ROC also provided grants and loans to the RSA.

The ROC's aid programmes, which were rendered to assist the RSA's Reconstruction and Development Programme (RDP), were implemented as from 1994. Before 1994, except for the pursuit of bilateral technical co-operation on an equal footing, the ROC did not provide any aid or grants to the RSA since there was no need to do so at the time.

However, after the formation of the new South African government in May 1994, there was a need for the RSA to solicit the ROC's financial and economic assistance to implement the RDP during the transitional period from the eradication of apartheid to the building of an integrated non-racial democracy. The RDP was more pressing than the readjustment of South Africa's diplomatic relations with the Two Chinas. Under such circumstances, it was clear that the new South Africa needed the ROC, more than the PRC, in reconstruction and development. From the ROC government's viewpoint, this was a unique situation: the ROC could play a positive role in supporting South Africa so as to safeguard the ROC's diplomatic ties with the RSA. South Africa was considered the jewel in the ROC's diplomatic crown,<sup>80</sup> the relatively most important regional power among its 31 diplomatic allies. That the ROC sought to support the new South Africa was reflected by the remarks made by the Ambassador to the RSA, I-cheng Loh, on October 27th, 1995 at the Potchefstroom Banquet Hall. He said:

Before last year's general election, before the forming of the government of National Unity, my government was already thinking of identifying the specific fields in which we have special experience and expertise, which the other countries because of their size and tradition may not be very good at, but which the new South Africa could use, and in which we may contribute, to help South Africa on her way towards reconstruction and development.<sup>81</sup>

To retain her diplomatic ties with the largest country on her diplomatic list, at the time of the presidential inauguration in 1994, the ROC pledged a package of USA\$131 million (equivalent to approximately R700 million) in aid to South Africa's RDP.<sup>82</sup> Most of the ROC's pledges of aid materialised into actual projects which progressed reasonably well until November 1996 when the RSA announced that the country was to switch recognition to the PRC. The promised aid package was mostly delivered during the period from the beginning of 1995 to the end of November 1996.

In the first year of the GNU, provisions were made by the ROC government to assist the South African government with the following development aid projects:

- USA\$40 million (equivalent to R146.4 million at the time) for a Vocational Training Centre (VTC) in South Africa (January 1995)
- R1.38 million for the training of small-scale vegetable farmers (March 1995)
- R4.798 million for training programmes for South African nationals to undergo various types of technical training.
- Other RDP related programmes in the form of grants.<sup>83</sup>

To tally up, during the first year of the GNU, the actual delivery of ROC support for the RDP, including grants in aid, concessional loans, commercial loans and technical training, amounted to approximately R566 million.<sup>84</sup> The ROC aid package covered a wide range of programmes, including the vocational training centre project, retired soldiers settlement project, the small, medium and micro enterprises' (SMMEs) credit

guarantee fund, the agricultural co-operation project, the social forestry project, land reform assistance, entrepreneurial intership project, bursary programmes, technical training programmes, the women's development banking project, the educational reform project, training of South African fishermen and vegetable farmers, the dispatch of ROC agricultural specialists and interest subsidies to ROC investors. However, the ROC's development aid programmes focused mainly on four areas: vocational training, the development of small, medium and micro businesses (SMME), technical training and the development of small farms.<sup>85</sup>

The ROC's assistance in the establishment of the above-mentioned Vocational Training Centre (VTC) was intended for the stability of South Africa and partly for the demobilisation of the ANC's military wing, Umkhonto we Sizwe. Some of the returned exiles were old and short of skills. The idea of establishing a VTC originated with Mandela's visit to Taipei in July/August 1993 in his capacity as the leader of the ANC. Mandela was anxious to emulate the ROC's successful resettlement programme of its hundreds of thousands of retired military servicemen from mainland China over the last forty years. At Mandela's request, the then ROC President, Lee Teng-hui, agreed to help with Mandela's initiative. The VTC was established in the middle of 1995 at a 266ha complex near Atteridgeville, west of Pretoria. Its main objective was to provide training in various trade skills to retired or redundant army members, with emphasis on trades which were in demand under the RDP, and which gave the best promise for starting a business. The VTC aid project included overall planning, the design and construction of various workshops as well as the supply and installation of machinery and equipment. The VTC was to cover 31 training fields to accommodate 1500 people simultaneously and was to become fully operational by August 1997. Training began in May 1996 and the first phase covered seven training fields and accommodated 220 people. Sixty-six South African instructors were invited to the ROC for three-month training courses. The first group of 45 departed on January 15th, 1996 while 17 Taiwanese instructors came to South Africa to advise on operations and management.<sup>86</sup> The total cost of the Vocational Training project, including the establishment of the VTC was USA\$40 million.<sup>87</sup> By the November 1996 announcement of the change of

relationship, the first phase of this project was complete and the VTC had been established. But the second phase was terminated as from 1997.

As one of the leading countries in the field of Small, Medium and Micro Enterprises (SMMEs) development, the ROC undertook to share its experience and expertise in this area with South Africa in its quest for reconstruction and development. The support for SMMEs development in South Africa consisted of three parts: indirect loans, direct financing (grants) and training. Although by 1996, an institutional support framework for indirect loan facilities existed in South Africa – such as the Centre for Small Business Promotion (CSBP) and the National Small Business Council (NSBC), the state-owned Ntsika Enterprise Promotion Agency (Ntsika) and Khula Enterprise Finance (Khula) – none of them performed well. Khula's repayment default rate was about 40%. From the ROC government's perspective, it was in a better position to assist South Africa in adopting a strategy to create a conducive environment for SMMEs. Therefore, a proposition was made by the ROC government in August 1996 to provide USA\$30 million from the ROC Overseas Economic Co-operation Development Foundation to set up a national credit guarantee scheme for the development of South African SMMEs. In regard to SMME training, the ROC had planned to receive up to fifty people in Taiwan to attend courses on SMME development and financing in the initial stage. The number of the SMME training schemes was to be expanded to 1000 people per year at a later stage.<sup>88</sup>

As for direct financing, in 1996, the ROC government agreed to grant a total of USA\$10 million as financial support for the development of SMMEs. This was to be remitted to the RSA in four instalments from the 1997 fiscal year.<sup>89</sup> Nevertheless, this USA\$10 million grant had not been remitted to South Africa when President Mandela announced the ending of ROC–RSA diplomatic ties on November 27th, 1996. In response, the ROC government decided to suspend the implementation of this project as from December 1996.<sup>90</sup>

With regard to technical training, under ROC sponsorship, about 500 South Africans received technical training during the years 1994-1997 in a variety of fields, such as land reform, SMME development, taxation, agricultural development, foreign investment and precision scientific instruments. From January 1994 to June 1995, 96 South Africans received technical training in Taiwan. The peak period of the ROC training programme was during 1994-1996. The main purpose of the ROC's aid programmes was to support the South African government's RDP.<sup>91</sup>

From the ROC's perspective, it was in a position to assist South Africa in solving its serious unemployment problem by adopting a two-dimensional economic development strategy. In industry and commerce, the ROC government proposed the development of SMMEs. In agriculture, the focus was on creating self-supporting small farms. With a view to realising this objective, a two-pronged agricultural aid programme was carried out by the ROC government as from 1994. The first part involved the setting up of a wide range of agricultural training programmes for South African agricultural specialists, farm advisors and extension workers either in Taiwan or in South Africa's agricultural institutions such as the Boskop Training Centre in Potchefstroom and the Lowveld Agricultural College in Nelspruit. In 1993, the former Embassy of the Republic of China entered into an agreement with the RSA's Department of Agriculture to share equally the R10 million cost of a training project aimed at teaching South African black women the basic skills of vegetable farming. Under this training programme, by 1998, 16 community-based agricultural projects were implemented in various provinces. Another feature of the ROC agricultural aid programme was the provision of capital and funding for the development of small farms. In November 1993, the ROC's Chiao Tung Bank signed an agreement with the Development Bank of Southern Africa, providing it with a loan of USA\$15.482 million (equivalent to R56 million) for agricultural development. The terms were 3.5% per annum, a five years grace period and another twenty years to repay.<sup>92</sup>

From 1994 to 1997, the ROC endowed the RSA with a total of R700 million in aid grants. Most of these aid grants, except technical training and fishermen's training,

were based on government-to-government relations and politically-driven projects. In terms of loans, during the five year period from 1993 to 1998, the ROC government had given, mainly through its Bank of Taiwan, loans of over USA\$200 million (equivalent to R1,200 million) to the Industrial Development Corporation (IDC) and the parastatal enterprises of the RSA, such as Transnet, Portnet, SAA, Eskom and Telkom.<sup>93</sup> These loans were mainly for the improvement of South Africa's infrastructure and its economic development. These loans included USA\$20 million for SAA, USA\$30 million for the SMME Development Fund, R70 million for Macsteel and USA\$30 million to Transnet for upgrading the facilities at the Durban port. Other loans included USA\$30 million (R105 million) to Eskom for its rural electrification project, R305 million for the IDC, loans for the rural telephone project, the small farms' loan, and the economic/social development projects' loan.<sup>94</sup>

Besides these loans, USA\$15.482 million was provided to the Development Bank of Southern Africa by another ROC bank, the Chiao Tung Bank, in November 1994 for the small farm development. The interest of the loan was set at only 3.5% per annum with a grace period of five years.<sup>95</sup> The difference in interest from Taiwan's normal interest rate is paid by the ROC Ministry of Foreign Affairs.<sup>96</sup>

Furthermore, the ROC government pledged to lend USA\$500 million to be deposited as part of the South African Reserve Bank's foreign exchange reserves. At the same time, the ROC made the following financial commitments to support South Africa:

- USA\$15 million for general agricultural development
- USA\$5 million for forest cultivation
- USA\$8 million for economic co-operation schemes
- USA\$3 million for land reform
- USA\$2 million for the establishment of the Women's Bank
- USA\$0.5 million for student's scholarships
- USA\$0.5 million for youths to start small businesses
- USA\$0.36 million for rice technicians' training
- USA\$1 million for South Africa's fisheries development.<sup>97</sup>

Some of these pledges had already been paid out to the South African government in the form of grants or loans before the end of 1997. Others had been partly given to the RSA such as the USA\$5 million for forest cultivation among which USA\$4 million was remitted prior to the termination of ROC–RSA diplomatic relations. But some grants had not been paid out pending the signing of the final bilateral agreements.<sup>98</sup>

In addition to the above-mentioned loans, two important projects were under negotiation at when the derecognition of the ROC was announced: the Mossgas petrochemical complex venture and the Mmabatho and Pilanesberg Airport projects. The Mossgas project, if implemented could inject billions of Rands into the South African economy and create work opportunities for 400,000 people.<sup>99</sup>

Most of the above aid programmes and these two projects under negotiation were suspended by the ROC government as from December 5th, 1996 after Mandela's announcement of the severance of ROC–RSA diplomatic ties. But the ROC's loans to the RSA parastatals continued because the transaction of commercial loans, if not concessional loans, is market-driven and has little to do with government-to-government relations.<sup>100</sup>

#### **4.8 CO-OPERATION ON FISHERIES**

The bilateral co-operation in the fishing industry was, and still is, an important facet of ROC–RSA economic relations. Cape Town is one of the major overseas operations and replenishment bases for ROC fishing vessels on the Atlantic and Indian Oceans. Each year, approximately 450 ROC fishing vessels dock at Cape Town harbour for provisions such as fuel, food and water as well as for repairs or to sell their catches.<sup>101</sup> The ROC fishing operational zones are very wide and reach from the high seas of the Atlantic Ocean as far as the Ivory Coast in the North, near Antarctica in the South and the Indian Ocean near the coastal waters of Somalia and Yemen. In 1998, the South



African government issued permits to 86 Japanese and 26 ROC fishing boats to fish off the South African coast. In 1999, the total number of permits issued to the ROC were reduced to 23, at the cost of USA\$12,600 (R75,600) each. The total annual catch limitations are 1760 tons of albacore and 50 tons with a by-catch extension of 40 tons of swordfish.<sup>102</sup> No hake, kingklip, wreckfish or patagonian toothfish may be caught or retained on board. As to other species of fish, the ROC annual catches of tuna, marlin and Atlantic sword fish are regulated by the International Commission for the Conservation of Atlantic Tunas (ICCAT), the Indian Ocean Tuna Commission (IOTC) and other related international conventions.<sup>103</sup> These catches are operated on the high seas of the Atlantic Ocean and the Indian Ocean, not in South African territorial waters or economic zones. ROC fishing vessels merely use Cape Town as their base of operations and for replenishments. The ROC fishing boats' total annual catches and expenses spent in Cape Town, including fishing licenses, repairs and replenishments are estimated at around R240 million per annum.<sup>104</sup> Most of the catches are sold in frozen form to Japanese agents in Cape Town. To enable the seamen of the ROC fishing fleet to have a secure place to rest, enjoy recreations, read Chinese newspapers and have proper Chinese meals, the ROC government, through the ROC Consulate-General in Cape Town, spent NT\$10 million (equivalent to R2.5 million) on December 1st, 1989 to rent and renovate a double storey building at Vanguard Road, Sturrock Dock, Port of Cape Town. The 24-year lease expires on November 30th, 2013. The ROC government undertook to pay annual rentals, repairs and renovations of the premises to the then South African Transport Services (later renamed Portnet).<sup>105</sup>

The bilateral co-operation on fisheries dates back to 1978. The ROC government concluded a bilateral Agreement on Mutual Fisheries Relations with South Africa on January 26th, 1978. This agreement is still maintained through the annual bilateral consultation meeting. The annual bilateral consultation meetings pertaining to fisheries co-operation were held in Cape Town on December 8th-9th, 1998 and December 9th-10th, 1999 respectively.<sup>106</sup> While the bilateral co-operation on fisheries is mutually beneficial to both the ROC and the RSA, this co-operation works more in the ROC's favour economically. In order to address this imbalance and reciprocate the RSA, in

1997 the ROC government undertook to train 27 South African fishermen in Taiwan. The cost of this training, as well as the flights, accommodation and meals of the said fishermen came to a total of NT\$2.4 million which was covered by the ROC government.<sup>107</sup>

After the severance of diplomatic relations with the RSA, the ROC government decided to downsize its presence in South Africa from four Missions (Pretoria, Johannesburg, Cape Town and Durban) to three (Pretoria, Johannesburg and Cape Town). It was decided to close the Taipei Liaison Office in Durban (formerly the ROC Consulate-General in Durban) in September 1998 rather than the mission in Cape Town, Johannesburg or Pretoria. This was mainly due to the fact that Pretoria is South Africa's administrative capital, Johannesburg is the hub of South Africa and has the largest Taiwanese community and Cape Town is relatively more important than Durban because of the parliament and the fisheries.

#### **4.9 SUMMARY**

The economic and financial ties between the ROC and the RSA were forged during 1976 to 1997. Historically, the development of the economic ties between the ROC and the RSA can be divided into four phases:

Phase One (1948-1971): Before 1971 the economic contact between the two countries was minimal. During this period there was no need for the ROC and the RSA to cooperate with each other. The ROC relied on the USA for economic and diplomatic survival and its major foreign policy objective was to keep its seat in the United Nations Security Council, while South Africa was dependent on the major Western powers as its trading partners and sources of investment.

Phase Two (1971-1994): After the ROC was ousted from the UN in 1971, and South Africa became more isolated in the 1970s, the two countries started to strengthen the

ROC–RSA political and economic partnership. During this period both countries needed each other. As the two economies were basically complementary and both countries experienced common international isolation before 1994, a strong relationship developed between the ROC and the RSA. Each country considered the other as a strategic partner in the common endeavour of economic development. Throughout the 1980s, the economic co-operations deepened. South Africa supplied the ROC with minerals, raw material products and marine resources, while the ROC, in turn, provided capital, investments, manufactured goods and technical co-operation for South Africa. The ROC's investments focused mainly on the rural homelands and in the border areas. The broad-based economic co-operations reflected the convergence of the national interests of the two countries during 1971-1994. The relationship of this historical phase was mutually beneficial in terms of economic interests, but politically the ROC alienated the black majority in South Africa, which eventually boomeranged against the ROC's efforts to maintain its diplomatic ties with the RSA after 1994.<sup>108</sup>

Phase Three (1994-1997): After 1994, South Africa emerged from international isolation to become a regional power and a normal democracy. International economic sanctions had been lifted. Liberated from apartheid, South Africa regained its normal position in the world. Despite its domestic development demands, South Africa's foreign policy once again reverted back to the traditional focus on the West, in particular the European Union (EU) and the USA as well as the African continent. Under these circumstances, the issue of relations with the PRC and the ROC became a sensitive and awkward matter. The RSA did not really need the ROC as in the past. The national interests of the RSA and the ROC started to diverge as from 1994. To keep the jewel in its diplomatic crown, the ROC tried desperately to retain its diplomatic links with South Africa at all costs. As analysed above, various forms of assistance were accorded to South Africa. During this historical phase (1994-1997), due to diplomatic issues, the ROC needed the RSA more than the other way round.

Phase Four (1998 to date): When the South African government started to establish full diplomatic ties with the PRC and to derecognise the ROC as from January 1st, 1998,

the balance of power changed. The ROC lost its most cherished diplomatic ally. The days of special diplomatic/political consideration were over. South Africa had become just one of the countries which maintained de facto substantive relations with the ROC. The RSA's trade with the ROC represents only 0.8% of the ROC's total annual trade, while South Africa's trade with the ROC constitutes about 2.9% of the RSA's total annual trade.<sup>109</sup> The ROC's investment in South Africa is only 0.25% of its total foreign exchange reserves but 0.8% of all foreign investment in South Africa, while the RSA has no investment in the ROC.<sup>110</sup> Therefore, South Africa is not that important to the ROC in terms of the ROC's overall economic relations. It is important to note that, as from the 1990s, the ROC's entrepreneurs have gradually shifted their focus and interest from the RSA to mainland China due to the PRC's low labour costs, relatively better security situation, similar culture and language, and in particular its banning of any real organised trade union. The Chinese mainland has become the hotspot for Taiwanese investment. By the latter half of the 1990s, Taiwanese businesses had invested over US\$20 billion in the Chinese mainland, as compared to the US\$1.5 billion worth of investments in the RSA.<sup>111</sup> How the RSA can continue to attract ROC direct investment in the future will be a great challenge and a serious task for the South African government.

## FOOTNOTES

### CHAPTER IV

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65. Personal information: the author's discussions with Dr. Blaze Nzimande, General Secretary of the SACP, on December 13<sup>th</sup>, 1994 and with P. Ngcobo of COSATU, and Jabu Ngcobo, General Secretary of SACTWU, on March 18<sup>th</sup>, 1996 in Durban.
66. Revelation made by Ambassador I-cheng Loh of the ROC to the RSA during the co-ordination meeting held on February 28<sup>th</sup>, 1996 at the ROC Embassy, Pretoria.
67. The Amended Bilateral Air Services Agreement between the ROC government and the RSA government was signed on November 15<sup>th</sup>, 1991. For the full text of the agreement, see MOFA 中外條約輯編 (Treaties between the Republic of China and Foreign States), Vol.9, 1991-1992, pp.268-274.
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70. Ibid., The statement made by the ROC Foreign Minister, J.H. Chang, after meeting with his counterpart, A.B. Nzi, at the Diplomatic Guest House, Pretoria, on December 5<sup>th</sup>, 1996, pp.1-2.
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81. TLO Archives, Pretoria: Ambassador I-cheng Loh's speech at the Boskop Training Centre's Annual Address Award Function, at the Banquet Halls, Potchesfstroum, October 27<sup>th</sup>, 1995, p.1.
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87. The ROC's Ambassador, I-cheng Loh's assessment which was made around June 1996.
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89. TLO Archives, Pretoria: The List of the ROC's Grants, p.4.
90. Ibid., The statement made by the ROC Foreign Minister, J.H. Chang at Pretoria, on December 5<sup>th</sup>, 1996, pp.1-2.
91. Ibid., The List of the ROC's Grants, p.5.
92. Ibid., Ambassador I-Cheng Loh's speech at the Boskop Training Centre, October 27<sup>th</sup>, 1995, p.4. See also Chiao Tung Bank's fax to the Development Bank of South Africa regarding the repayment of a loan of US\$15.482 million, dated March 17<sup>th</sup>, 2000, No.3133629, p.1.
93. Ibid., pp.1-5; Interviews with Mr Louis Yun-Hua Hu, Manager of the Bank of Taiwan in Johannesburg, on February 18<sup>th</sup>, 1999 and November 26<sup>th</sup>, 1999 respectively. The total ROC loans to South Africa until December 1999 amounts to US\$230 million.
94. Ibid., The List of the ROC's Grants, pp.1-5; Also see G. Mills, "The Case for Exclusive Recognition" in SAIIA and the Foundation for Global Dialogue (ed.), South Africa and the Two Chinas Dilemma, p.92.
95. Ibid., p.93.
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97. Ibid.
98. Ibid.
99. Mills, "The Case for Exclusive Recognition", p.93.
100. Davies, "South Africa and Taiwan", p.7.
101. TLO Archives, Pretoria: telex from TLO, Pretoria, to MOFA, No.735, January 6<sup>th</sup>, 1999, p.3

102. Ibid., 中斐漁業合作 (The ROC-RSA Fishery Co-operation), Minutes of A Meeting Held In Terms of The Bilateral Agreement Between the ROC and the RSA At Cape Town On 8<sup>th</sup> and 9<sup>th</sup> December, 1998, pp.2-5.
103. Ibid.
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105. Ibid., telex from TLO in Cape Town to MOFA, No. CT756, May 2<sup>nd</sup>, 1997 and its enclosure: Agreement Made and Entered Into By and Between the South African Transport Services and the Consulate-General of the Republic of China, November 30<sup>th</sup>, 1989.
106. Ibid., telex from TLO in Cape Town to MOFA, No. CT244, December 11<sup>th</sup>, 1998, p.1 and Telex No. CPT485, November 10<sup>th</sup>, 1999, p.1.
107. Ibid., telex from MOFA to TLO in Pretoria, No. 057, February 23<sup>rd</sup>, 1999, p.1.
108. The author's discussions with Messrs. Blaze Nzimande, P. Ngcobo and Jabu Ngcobo in March 1996.
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## CHAPTER V

### THE DEVELOPMENT OF ROC–RSA NUCLEAR CO-OPERATION, 1976–1990

#### 5.1 INTRODUCTION

There was widespread speculation that South Africa may have collaborated with Israel and the ROC in the development of nuclear weapons during the 1970s-1980s.<sup>1</sup> From time to time, international concern was raised in the UN General Assembly regarding the alleged clandestine co-operation in the development of nuclear technology. This allegation was strongly denied by the relevant governments. The international community was even more mystified when F.W. de Klerk dramatically disclosed in Parliament on March 24<sup>th</sup>, 1993 that six powerful nuclear devices had been manufactured by South Africa, but that they had been subsequently destroyed.<sup>2</sup> Despite some efforts made to interpret this unsubstantiated allegation, the truth has not been fully unfolded and no official evidence has been produced to back up the allegation. As a non-nuclear weapon country, why would the ROC consider developing its nuclear co-operation with the RSA? What were the motives? What did the ROC and the RSA actually achieve in their secret collaboration? In what circumstances were these co-operative projects implemented? Was the bilateral nuclear co-operation simply for peaceful purpose? Was there ever any attempt at testing nuclear bombs? What effects did the nuclear co-operation have on the economic development of the two countries? These questions are still shrouded in mystery.

The objective of this chapter is to give insight into the nature of ROC–RSA nuclear co-operation during the 1970s-1980s. The specifics of the nuclear ties between South Africa and Israel, if any, are not the subject of this study. The scope of this chapter is confined to the ROC's nuclear co-operation with the RSA from the establishment of ROC–RSA diplomatic relations in 1976 to the beginning of South Africa's political transformation in 1990. The content of this chapter is divided into four parts:

The first part looks into the short history of the ROC's energy crisis, the rise of its nuclear industry and its demand for cheap nuclear fuel to sustain its economic growth. The second part focuses on the attractiveness of South Africa as a source of supply of nuclear fuel to meet the ROC's demand for the enriched uranium and the development of the nuclear industry in South Africa. The third is devoted to the study of the nature of ROC–RSA nuclear co-operation, its achievements and consequences. While the fourth part explores the termination of the bilateral nuclear co-operation and its impact on the respective country's economic development and national security.

## **5.2 THE ROC'S QUEST FOR NUCLEAR ENERGY**

In the post-war epoch, although the ROC government had successfully transformed itself from being an agricultural backwater to an industrial powerhouse, it was vulnerable to an energy shortage. The ROC lacks any significant source of oil, natural gas or fuel. As a small island-country, the rivers are short and therefore the hydropower is insufficient to meet the increasing energy needs, while its coal and natural gas reserves are also scarce. The ROC's energy vulnerability was compounded by the growth of its population, the development of energy-intensive industries and the shift of focus of its economy. This had further exacerbated the shortage of energy resources. Therefore, while the ROC is in the quest of rapid industrialisation and export expansion, it is dependent on international energy supplies to sustain its expanding industries.<sup>3</sup>

Before the ROC government's relocation from mainland China to Taiwan in 1949, the population on the island of Taiwan was about six million. In the 1940s, Taiwan's economy was mainly based on agriculture and its industrial development was rudimentary. Therefore, her energy requirements were minimal and the supply of electricity was sufficient for Taiwan during the period prior to 1949. However, with the influx of about 1.6 million mainland Chinese into Taiwan during 1945-1949 and the subsequent 3.3% high population growth rate during the 1950s-1960s, Taiwan's total

population rose from 6 million in 1945 to over 8 million in 1951, and further increased to 11 million in 1961, 15 million in 1971, and 18 million in 1981.<sup>4</sup>

Under the pressure of population increment and the shortage of natural resources, the ROC government began the process of industrialisation with export-oriented light industry in the 1950s-1960s, and gradually shifted to more energy-intensive high-tech industries, the petrochemical sector, manufacturing and heavy industries in the 1970s and the 1980s. The expansion of industry, in particular the development of heavy industries such as shipbuilding and steel mills, had led to the increasing energy supply needs. The capacity of the electricity-generating power installation system was not sufficient to meet the demands for more electricity. To produce more energy supply, the ROC had to import more crude oil from the Persian Gulf countries. Total imports of crude oil in 1976 were as high as twelve million kilolitres. Therefore, throughout the 1970s, the ROC became more and more reliant on imported oil from the Middle East. Oil was not only a prime source of energy, but also a primary material input for various manufactured products. In 1973–1974, oil imports accounted for 10.3% of the ROC's total imports by value, and in 1979, it leapt to 14.7%. By 1980, oil imports further increased to 20.6%.<sup>5</sup> These figures showed that the ROC was heavily dependent on imported oil as a major source of energy in the 1970s-1980s.

As already indicated in the previous chapter, the oil supply and oil price were volatile during the oil crises of the 1970s. The abrupt rise in oil prices severely affected the ROC. As a result of the oil crises, the ROC's economic growth and its efforts of restructuring its economy were under threat.<sup>6</sup> In order to disentangle itself from the awkward dependence on the volatile oil import, the ROC government deemed it imperative to find other alternative sources of energy. Attempts were made by the ROC to diversify its procurement from different energy-producing countries, which were in a position to supply alternative energy to the ROC, so as to ensure the stability of the energy supply and to sustain its economic growth. Under these circumstances, the ROC government's strategy was to seek coal and nuclear power as alternative energy

resources. Deeply shocked by the OPEC oil coercion and the subsequent USA switch of recognition to the PRC, ROC planners feared that one day the USA might impose a nuclear fuel embargo upon the ROC if the national interests of the USA and the ROC became divergent. To reduce the ROC's reliance on the USA and OPEC, as well as to ensure the economic supply of energy for the future, the ROC government considered the like-minded anti-Communist South Africa, with rich deposits of coal and uranium, as a secure supplier of alternative energy to the ROC.<sup>7</sup>

In brief, it was the ROC's seeking of an alternative supply of energy and its strategy of diversification that led the ROC to develop its nuclear industry and coal energy production. To meet the increasing demand for electricity, three nuclear plants were built and eighteen coal-fired-thermal power stations were constructed in the ROC since the latter half of the 1970s. The first nuclear plant was officially commissioned in 1979 and the second one was completed in 1981. These two nuclear power stations are situated in the north of Taiwan to supply electricity to the metropolis of Taipei, the capital of the ROC, and the third nuclear power plant is located in the south of the island to provide electricity for the city of Kaohsiung, one of the important industrial centres and the biggest sea port of the ROC.<sup>8</sup>

The ROC government's motivation to search for nuclear energy was clearly explained by Chen-hsing Yen, the then Chairman of the Atomic Energy Council (AEC) of the ROC Executive Yuan (Cabinet):

The expense and the insecurity that go with dependence on imported fuel were underlined for Taiwan by the recent boycott and price-hike of oil by the OPEC nations. The need to seek alternate sources of energy both for economic and national security reasons was made very plain. With her ambitious plans for an industrial future and her limited supply of natural resources, Taiwan made the decision to turn to nuclear energy as a power source.<sup>9</sup>

### 5.3 THE ROC'S ENERGY STRATEGY AND THE ATTRACTIVENESS OF THE RSA TO THE ROC

In order to meet its increasingly pressing energy needs, a blueprint (guideline) of the ROC's energy strategy and future economic development policy was formulated by the leadership of the ROC government during the 189<sup>th</sup> meeting of Central Standing Committee of the Kuomintang (KMT), the ROC's ruling party, held on October 22<sup>nd</sup>, 1980. The said meeting was presided over by the ROC Premier, Sun Yun-suan. According to the resolution of this meeting, the ROC should take advantage of South Africa's abundant minerals, energy resources and metal products to diversify the ROC's energy imports and to pursue the economic development of the ROC. Furthermore, despite the possible political risks and unfavourable implications, the ROC government was resolved to strengthen ROC–RSA economic co-operation and to step up its procurement of minerals such as uranium, coal, iron ore and energy-related products such as steel, copper and aluminium from South Africa. The RSA was viewed by the ROC leadership as an important energy supplier and economic strategic partner during the 1980s in its blueprint for further economic development and the diversification of energy imports. The decision was made on account of the ROC's new economic strategy and the following considerations:<sup>10</sup>

Firstly, the underlying consideration was the factor of energy resources and the ROC's new strategy of industrial development directed towards high-tech and energy-saving industries since 1980. Given the shortage of energy resources and the impacts of world oil crises on the overall economy of the ROC, the policy for the development of the ROC industries was to phase out those of energy-consuming industries and to develop energy-saving enterprises. In line with this policy, the development of heavy industries and petro-chemical industries were to be discontinued in the ROC. The ROC government encouraged the labour intensive light industry and energy-consuming industries to be relocated to or established in countries where energy resources and manpower were sufficient. This was why the ROC set up a huge fertiliser production

factory in Saudi Arabia and many labour-intensive industries started to relocate to South Africa and other countries as from the 1980s.<sup>11</sup>

Secondly, South Africa was well suited for the diversification of the ROC's energy imports due to South Africa's endowment with abundance of minerals and commodities such as coal, uranium, steel, aluminium, copper, zinc which can be easily converted and utilised by the ROC's industries. Therefore, the RSA was viewed an ideal strategic economic partner.<sup>12</sup>

Thirdly, owing to the availability of abundant easily mined coal, South Africa's electricity cost was much cheaper than the ROC's. For instance, in the ROC, the cost for coal which was ready to be used for power generation was USA\$50.00 per ton (including the cost of shipping, storage and expenses of the construction of special pier for coal off-loading). But in the RSA, it cost merely USA\$8-00 per ton. Consequently, the strategy adopted by the ROC leadership was to invest in countries producing raw materials and to enhance bilateral co-operation with mineral, or oil-rich countries, such as South Africa and Saudi Arabia to develop and explore energy resources. In the meantime, the decisions were also made to purchase the energy-related manufactured products from South Africa. By doing so, it was envisaged that the energy consumption in the ROC could be reduced and the continued industrial development would be sustainable.<sup>13</sup>

Driven by the economic need and the above-mentioned considerations, the ROC government began to assess the feasibility of the nuclear energy co-operation with the RSA from the year of 1979 shortly after the second oil crisis.

#### **5.4 THE DEVELOPMENT OF THE ROC NUCLEAR INDUSTRY**

The earliest history of the ROC's attempts to produce atomic bombs dated back to 1945. Deeply impressed by the devastating effects of the implosion of the two atomic bombs dropped on Japan by the USA over Hiroshima on August 6<sup>th</sup>, 1945 and over

Nagasaki three days later, Chiang Kai-shek was eager to tap into nuclear secrets to produce an atomic bomb while he was still in control of mainland China, shortly after the end of the Second World War. The purpose was to boost the prestige of China, which was considered as one of the “Big Five” at the time. To obtain sufficient nuclear technology, he assigned three pre-eminent Chinese scientists to be in charge of the development of nuclear fission at Chungking in 1945, and five Chinese physicists were selected and sent by Chiang to the USA in 1946 to conduct their research on the developments of atomic bombs. It was only when these five physicists arrived in the USA that they realised that the Americans had no intention of sharing their nuclear technology with the ROC physicists. The ROC’s early endeavour in developing its own nuclear weapons was thus dashed.<sup>14</sup>

But Chiang Kai-shek’s aspiration to possess an atomic bomb never ceased in spite of the fact that he was defeated by the Chinese Communists in the civil war. As soon as he re-established himself in Taiwan, Chiang Kai-shek was constantly intrigued by the massive explosion power of nuclear fission devices. He consulted the physicists on the issue. However, most of the ROC physicists were against developing nuclear weapons, and the Americans strongly opposed his plan. The real stumbling block was that the ROC could not obtain fission materials without the consent of the USA and that the ROC itself had no nuclear resources. As a small island country, the ROC’s nuclear activities and testing of nuclear devices could not escape the USA’s detection and surveillance. Moreover, the production and supply of enriched uranium were under the control of the USA. The ROC had no uranium enrichment plant either. These were the unfavourable factors that prevented Chiang Kai-shek from realising his dream.<sup>15</sup>

Furthermore, the ROC’s shortage of energy resources also constrained the ROC government to opt for nuclear technological development for peaceful purposes. In order to meet its electricity needs, it was necessary for the ROC to phase in nuclear power stations from the 1970s as a back-up to coal-fired, oil-generated and hydro power stations. Mindful of the sensitivity of nuclear non-proliferation and the importance of acquiring the technical ability to produce its own nuclear weapons, Chiang Kai-shek

decided to adopt a two-pronged approach. On the one hand, he placed all of the ROC nuclear activities under international safeguard so as to have rights and privileges to share nuclear technology and uranium resources with the USA and to develop and build nuclear power stations. On the other hand, he launched the ROC's nuclear research and development programme in the middle of the 1950s.<sup>16</sup>

To co-ordinate nuclear research and development, the Atomic Energy Council (AEC) of the ROC Executive Yuan (Cabinet) was established in the early 1950s to serve as a special governmental agency responsible for the planning and policy formulation of nuclear energy research and the development of nuclear-related projects in the ROC. In 1956, the first Atomic Science Research Institute was founded in National Tsing Hua University, near the city of Hsinchu, in the northern part of Taiwan. In order to develop nuclear physics and engineering, the first test was conducted and the first research nuclear reactor installed in the said university, and the laboratory was provided with the necessary apparatus and equipment. Most of the graduates of the Department of Nuclear Physics of Tsing Hua University and the Atomic Science Research Institute, and the ROC senior nuclear scientists and physicists went to the USA and the UK for further training and advanced studies. In particular, they went to the Massachusetts Institute of Technology (MIT), USA, to study nuclear fuel management or the United Kingdom Atomic Energy Association (UKAEA) in England to study advanced nuclear safety in the 1960s. Professional on-the-job training in regard to nuclear fuel design, nuclear power generation and management, and nuclear reactor technology was also provided by various Western companies such as General Electricity (G.E.), and Westinghouse.<sup>17</sup>

For ordinary scientific research and development, the National Science Council (NSC) was created in the late 1950s to oversee academic and scientific research in the universities and other academic research institutes. The NSC appropriated approximately USA\$46.7 million annually for the management of the Hsinchu Science-based Industrial Park. This industrial park turned out to be a great success, and it has been commonly called "Taiwan's Silicon Valley". For commercial and industry-oriented



scientific advancement, the ROC Ministry of Economic Affairs (MOEA) also promoted technology-intensive and industry applied research. The Industrial Technology Research Institute (ITRI) was founded by the MOEA to serve this purpose with special emphasis on electronic and information technology research.<sup>18</sup>

For the development of military weaponry and national defence technology including nuclear and missile research and development for the military, the Ministry of National Defence set up and funded the Chungshan Institute of Science and Technology (CIST) to conduct the research and development on military science-technology projects such as the testing of missiles and the design of various weaponry and fighter jets. The NSC, Hsinchu Science-based Industrial Park and ITRI are non-nuclear research and development institutes. But these institutes worked hand-in-hand with the afore-said nuclear agencies such as the AEC and CIST to further the advancement of science and technology.

The ROC government has spent huge amounts of capital from the budgets of the above-mentioned various governmental agencies to develop scientific expertise and to cultivate the relevant experts and scientists, so as to develop advanced technology and produce high-tech products in the increasingly competitive world market. As a result of the focus of the ROC government on the research and development of technology and science, as well as its efforts in education and economic developments, the ROC has produced a number of experienced scientists and physicists. Many of them have studied in the USA and other industrialised countries and have had three years of research experience outside the classroom. By 1994, the number in the research work force in the ROC exceeded 92 000. Among them, 55 000 persons held B.Sc., MSc., or Ph.D. degrees.<sup>19</sup>

Although both the AEC and the NSC had its own Chairman, the minister responsible for the overall development of science and technology including nuclear industry was K.T. Li, a graduate of Cambridge, who was well-known for his efficiency and his knowledge in nuclear physics and economic development. Nevertheless, apart from the AEC, the

main organisation that implemented ROC–RSA nuclear collaboration projects was Taiwan Power Company (Taipower). The AEC was merely responsible for nuclear development, planning and policy formulation. The actual implementation of ROC–RSA nuclear co-operation programme was carried out by Taipower. It was Taipower and the AEC which teamed up with the Uranium Enrichment Corporation of South Africa Limited (Ucor) and Atomic Energy Board (AEB) to develop the nuclear industry in the RSA.<sup>20</sup>

Taipower is a state corporation, but nominally, it is under the monitoring and supervision of the Commission of National Corporations of the Ministry of Economic Affairs (MOEA) of the ROC. However, in fact, Taipower is a semi-independent state corporation. The main function of Taipower was to develop, generate, supply and market electric power for the entire area of Taiwan. Taipower is solely responsible for all of the function of energy procurement and distribution, and owns and operates 37 hydropower, 18 thermal and three nuclear plants. These three nuclear power stations which housed six nuclear units generated 24.5% of the ROC's total electrical output in 1994.<sup>21</sup> Taipower's nuclear power research programme dates back to 1953.

On December 8<sup>th</sup>, 1953, the President of the USA, Dwight D. Eisenhower, addressed the General Assembly of the UN on the subject of atoms for peace. This speech became known as "President Eisenhower's Atoms for Peace Initiative" which in turn, led to the First International Conference on the Peaceful Uses of Atomic Energy in Geneva in 1955. Agreements were soon reached by the major powers to set up an international agency to regulate the peaceful uses of nuclear energy and to inspect the related nuclear facilities, so that the enriched uranium would not be used for military weapons. It was through Eisenhower's "Atoms for Peace Initiative" that the International Atomic Energy Agency (IAEA) was officially formed in 1957 in Vienna to control nuclear materials and equipment, and to ensure their peaceful utilisation throughout the world.<sup>22</sup>

In dire need of cheap and clean energy sources other than oil and coal for the increasing energy consumption resulting from expansion of its industries and economy in Taiwan, the ROC government saw the advent of President Eisenhower's "Atoms for

Peace Initiative” as a godsend opportunity to alleviate the ROC’s energy problem. In view of the limits of oil, coal and gas as explained earlier, it seemed to the ROC government that nuclear power would be the answer to the scarcity of its existing energy resources and growing energy demands. By associating with Eisenhower’s “Atoms for Peace Initiative”, the ROC government believed that the ROC would be able to share the know-how and fissionable materials for the generation of electric power and various subsidiary uses of radioactivity in agriculture, medicine and other fields.

As the ROC was still one of the UN Security Council’s permanent members during the 1950s and maintained close diplomatic relations with the USA, it had a bilateral agreement with the USA to participate in Eisenhower’s “Atoms for Peace Programme”. In response to the said “Atoms for Peace Initiative”, the ROC government designated Taipower to establish an Atomic Power Study Committee within the company of Taipower, and under this committee, an Atomic Power Department was formed in 1955 to proceed with the research and development of the nuclear power programme. In 1956, when the Statute Conference of the International Atomic Energy Agency (IAEA) was open to all members of the UN, the ROC became one of the more than 60 member states of the IAEA. From the first session of the IAEA, which was held in Vienna in October 1957, the ROC routinely sent its delegation to attend the IAEA General Conferences until the ROC’s withdrawal from the UN in 1971. But even though the ROC was no longer an official member state of the UN and the IAEA after 1971, the agreement which the ROC concluded with the IAEA was still binding, and the ROC undertook to abide by the regulations of the IAEA. Therefore, the ROC’s nuclear power plants were still subject to the international safeguards inspection system of the IAEA. In conforming to this system and to the spirit of President Eisenhower’s “Atoms for Peace Initiative”, the ROC was able to share nuclear information and technology with the USA from the 1950s onwards. There was close co-operation between the ROC and the USA. The USA assisted the ROC in building three nuclear power plants and signed a long-term contract with the ROC to supply enriched uranium and nuclear reactors to the ROC for the production of nuclear power. The two countries also engaged in a

programme of the exchange and training of the ROC scientists and experts in the related fields since the 1950s.<sup>23</sup>

By 1964, anticipating that the ROC's electricity consumption would double in every 5-6 year period, Taipower decided to build nuclear power plants. The experts of the IAEA and the USA were invited to visit the ROC to identify suitable sites for the construction of nuclear power stations on the island in 1964. But the construction of the ROC's first nuclear power station in Chinshan, a coastal area near Taipei, started only in November 1969. The first nuclear reactor began to operate in 1977 and the second nuclear reactor functioned as from December 1978. The first nuclear power station, which housed the above-mentioned two nuclear reactors, was officially commissioned in 1979.<sup>24</sup> In the wake of the first world oil crisis of 1973, the ROC government hastened to build two more nuclear power stations. Construction of the ROC's second nuclear power plant commenced in November 1974 and was completed in June 1982. The third nuclear power station was under construction as from May 1978 and finished in January 1985.<sup>25</sup>

In addition to the said three nuclear power stations, which had been built before 1985, Taipower was planning to build three more nuclear power plants at a later stage. The plan for building the fourth nuclear power station was submitted to and approved by the ROC cabinet in May 1980. The construction site was chosen at the area of Gung-Liao in the north of Taiwan. The land had been procured and prepared for the construction during 1981-82.

But on April 26<sup>th</sup>, 1986, one of the nuclear reactors at Chernobyl, near Kiev in the Ukraine, blew up. The Chernobyl calamity caused not only casualties, fallout and long-term effects over a vast area in the Ukraine, but also a great fear and anxiety in the minds of the Taiwanese general public. The fear was not groundless in view of the fact that these nuclear power stations which the ROC government built or intended to construct are all very close to the densely populated metropolis of Taipei, Keelung, Kaohsiung and other scenic residential coastal areas. As a result of the Chernobyl

disaster, the conservationist groups, the Democratic Progressive Party and the local people near the construction sites, were provided with enormous support from the general public to lobby the ROC Legislative Yuan (Parliament) to block the construction of the fourth nuclear power station from 1986 onwards.<sup>26</sup> Although the then ruling party of the ROC, the Kuomintang, forced the issue through the Parliament during the budgetary debate of July 12<sup>th</sup>, 1994, the local residents still strongly objected to the construction of new nuclear power stations. So far, this contentious issue is far from being settled. Ever since 1986, the ROC government has been faced with the dilemma of putting up with increasing electricity shortage or pushing its way through the strong objection to build more nuclear power stations.<sup>27</sup>

In the process of developing its own nuclear industry, the ROC, with its industrial technique and possession of nuclear reactors, has secured the necessary capability and the technical skills to make nuclear bombs since the mid-1970s. Despite the sophisticated safeguards inspection system of the IAEA, the ROC scientists and nuclear physicists could have covertly converted some of its nuclear facilities to weapons grade production, or diverted a portion of highly-enriched uranium from civil to military use without great difficulty if the ROC leadership wished to do so. However, Chiang Kai-shek died from a heart attack on April 5<sup>th</sup>, 1975. The new leader of the ROC government, namely Chiang Ching-kuo, the son of Chiang Kai-shek, chose not to pursue the development of atomic bombs, and he terminated the ROC nuclear weapons research and development programme due to the above-mentioned unfavourable factors and American pressure, despite the ROC's attainment of technology to produce nuclear bombs.<sup>28</sup>

The ROC's capability to produce nuclear weapons was confirmed by Chiang Ching-kuo, the then Premier of the ROC. On September 17<sup>th</sup>, 1975, five months after the death of his father, Chiang Ching-kuo was questioned by the reporters of the United Press International (UPI) about whether or not the ROC intended to make nuclear bombs or not. He solemnly declared that "The ROC does have the technical ability to make its

own nuclear weapons, but it will never proceed to develop atomic bombs or nuclear weapons.”<sup>29</sup>

This statement was the earliest report that the ROC was capable of producing its own atomic bomb, although it did not intend to do so. Chiang’s landmark statement clearly indicated that the ROC’s nuclear programme was for peaceful purposes, not for the making of nuclear weapons. This was the official policy of the ROC’s nuclear industry, despite the growing pressure on the ROC government to work on nuclear weapons production to counter the PRC’s nuclear testings. The said statement was mainly aimed at assuring the USA and the IAEA that the ROC was merely interested in the peaceful applications of nuclear power. The statement was made against a background of increasing diplomatic difficulties experienced by the ROC after its expulsion from the UN and the death of the President of the ROC. The world community was also deeply concerned about the possibility of nuclear proliferation because of the explosion of a nuclear device in 1974 in India.<sup>30</sup> Chiang’s clarification had soothed American apprehensions to a certain extent.

But the USA government, in particular the Central Intelligence Agency (CIA), still kept the ROC under surveillance and monitored its nuclear research programme from time to time. In order to do so, the CIA had planted its secret agents in the senior hierarchy of the ROC government and Chungshan Institute of Science and Technology (CIST) which was responsible for the research and development of the ROC’s military weapons and defence industry. The most famous case in point was the infiltration of Colonel Chang Hsien-yi into the CIST. Colonel Chang was the Deputy Director of Nuclear Research Institute of the CIST. He had been bribed and recruited by the CIA to secretly monitor the ROC’s nuclear research programme for the USA for a long time. He escaped with confidential nuclear research files and related information to the USA in December 1987. At one stage, the CIA even attempted to recruit the ROC’s Deputy Minister of Foreign Affairs, H.K. Yang, to work for the agency. The CIA offered him a considerable payment that would be deposited in a Swiss bank account, a mansion in the USA and American citizenship in exchange for his secret service to the CIA. Yang, however,

declined to accept the CIA's offer.<sup>31</sup> Interestingly enough, H.K. Yang was assigned by the ROC government in 1979 as the Ambassador of the ROC to the RSA to enforce the most sensitive ROC–RSA nuclear co-operation programme during 1979-1989. The CIA was prevented from knowing the true picture.

However, the ROC continued to be an observant non-nuclear weapon country despite American suspicion and speculation. The reasons why the ROC remained in the state of a non-nuclear weapon country were twofold. In the first place, although the ROC had enough scientific expertise and knowledge in engineering to build a nuclear device for bomb testing, it was the political decision of the ROC government that was essential in deciding the direction of its nuclear research and development. The ROC leadership had gradually realised that the problems of the ROC and its relations with the PRC were basically political, not military. The possession of a nuclear weapon in the final analysis would not necessarily solve the problems of the two Chinas which were the consequence of the political and economic differences between the Kuomintang (the Nationalist Party) (KMT) and the Chinese Communist Party (CCP). It was believed that the two Chinas could only be unified through peaceful political negotiations, not by bloody military means. In line with this point of view, the late President of the ROC, Chiang Kai-shek, had addressed his compatriots in his New Year's message of January 1<sup>st</sup>, 1967 indicating that "The important questions before us today are no longer how the military counter-attack on the mainland will be victorious or at what time the traitorous Mao bandits will be killed... rather, it is to point out that in the present anti-Mao war, political means are even more important."<sup>32</sup>

This message clearly reflected that the ROC leadership perfectly understood that the ROC's problems were political, rather than military. Therefore, there was no need for the ROC to possess nuclear bombs. Emotionally and morally, the ROC could not use nuclear bombs to attack the Chinese civilians residing in the mainland because they are ethnically the same Han Chinese descendants. Moreover, many high-ranking generals and officials of the ROC government who came over to Taiwan with Chiang Kai-shek still have relatives in mainland China.<sup>33</sup>

Secondly, the survival of the ROC was largely dependent on the continued prosperity of its economy, not on its military might or international diplomatic recognition of its legitimacy. In order to sustain its economic growth and to solve the problem of its lack of energy resources as analysed earlier, it was essential for the ROC to have access to nuclear energy and fissile material for the peaceful uses of electricity. The production of nuclear bombs would not only cause further escalation of a deadly arms race in East Asia, but also provoke the USA and Japan to impose sanctions against the ROC. The detonation of nuclear bombs might boost the prestige of the ROC in the world community, but the international outrage and economic sanctions following the nuclear tests would be much more detrimental to the export-oriented island country and its economy. After weighing the consequence, the ROC government decided to relinquish the manufacture of nuclear weapons, for the sake of the larger benefit of economic prosperity. Instead of developing nuclear bombs, it chose to support nuclear non-proliferation.<sup>34</sup>

In short, it was the economic reality that compelled the ROC to be a non-nuclear weapon state. Under the constant pressure and surveillance of the USA, it would not be possible for the ROC to acquire nuclear technology, equipment and fissile material unless the ROC was prepared to either accept the USA demands for full scope safeguards or to accede to the Nuclear Non-Proliferation Treaty (NPT). The pressure was so strong that the ROC was left with no choice but to sign the 1968 Nuclear Non-Proliferation Treaty. The ROC deposited its instruments of ratification of the NPT on January 1<sup>st</sup>, 1970. The ROC thus became a party to the NPT, the international instrument devised by the USA to contain nuclear proliferation. As a signatory state of the NPT, the ROC had to adhere to the statutory regulations of the NPT.

The NPT stipulated that the nuclear weapons signatory powers should not transfer nuclear weapons or supply weapons technology to any non-nuclear weapons state, and that non-nuclear weapons states may not receive nuclear weapons. Non-nuclear weapons signatory states were also required to accept the International Atomic



Energy's system (or an equivalent system) to ensure that their non-military nuclear facilities and materials would not be used for military purposes.<sup>35</sup>

Although the ROC was bound by the provisions of Article I and Article II of the NPT which prohibited the ROC from supplying, receiving, transferring or manufacturing nuclear weapons or other nuclear explosive devices, all parties to the NPT were entitled to participate in the fullest possible exchange of scientific information and to co-operate with other countries for the further development of the applications of atomic energy for peaceful purposes. This was in accordance with the stipulation of Article IV Clause 1, "Nothing in this Treaty shall be interpreted as affecting the inalienable right of all the Parties to the Treaty to develop research, production and use of nuclear energy for peaceful purposes without discrimination and in conformity with articles I and II of this Treaty."<sup>36</sup> Therefore, legally speaking, the ROC did have the right to co-operate with the RSA in the nuclear field, so long as the co-operation was for peaceful purposes. But while the tide of the international anti-Apartheid hostility mounted in the 1980s, why did the ROC government risk offending world public opinion to step up the ROC–RSA nuclear co-operation programme? What was the ROC up to? Why did the two countries band together?

Besides the factors of the ROC's shortage of energy resources and its economic strategy of diversification of energy imports as explained above, the explanation also lies in the ROC's fear of world power politics, its pursuit of safeguarding its national security and the RSA's isolation with respect to its nuclear relations with the major Western countries from 1977 to 1990. As already discussed, by 1978, the USA was ready to normalise its relations with the PRC and abandon its official ties with Taipei. In December 1978, the then USA President Carter announced that the USA had decided to establish full diplomatic relations with the PRC and to derecognise the ROC with effect from January 1<sup>st</sup>, 1979. The Mutual Defense Treaty between the USA and the ROC would be abrogated, but other treaties and agreements would remain in effect.<sup>37</sup>

As a result of the break-up of ROC-USA diplomatic links and the termination of the ROC–USA Mutual Defense Treaty, the ROC’s national security was in jeopardy. The security concern was reflected by Chiang Ching-kuo’s official statement, which was issued at a press conference in December 1978. Chiang pointed out:

The Sino-USA Mutual Defense Treaty signed in 1954 was designed to be a vital link in the chain of collective defense system of free countries in the West Pacific. The situation in this region has not changed. It is still unstable and insecure. The threat of invasion and subversion by Communist forces to the free nations of Asia, particular after the fall of Vietnam, is even more serious than before. Hence, the USA unilateral action to terminate the Sino-USA Mutual Defense Treaty will further destabilise this region and might create a new crisis of war.<sup>38</sup>

In addition to the feeling that its security was threatened, the ROC government and people also feared that in its new strategic planning, the USA might use the ROC as a pawn in the China game. There were particular concerns that the USA might either sacrifice the ROC’s interests to accommodate the PRC on the American international geopolitical chessboard, or twist the ROC’s arms to succumb to the traps of the PRC’s unification and “one country, two systems”. Moreover, there was the probability that the PRC might outmanoeuvre the USA to harm the ROC’s survival.<sup>39</sup>

The loss of trust in USA credibility was another factor contributing to the ROC’s nuclear co-operation with the RSA. Feeling slighted by the Carter administration, the ROC leadership could no longer fully trust the USA, and the downgrading of ROC–USA ties had further led the ROC government to doubt the USA’s commitment to protect the ROC from an invasion by the Chinese communists. From the ROC leadership’s perspective, because of the USA’s apparent lack of concern for the ROC’s feelings, the USA government might consider the ROC to be expendable. The USA government’s lack of consultation with the ROC and the indifference of the Carter administration to the ROC’s strategic importance had deeply hurt the psyche of the ROC leadership. As a

result of the damage caused by the USA's shifting of recognition towards Beijing, there was a growing desire on the part of the ROC government to search for a new strategic ally and to restore the ROC's dignity. To safeguard the country's national security and to counter the PRC's threat against the ROC, the ROC government felt the need to take definite steps to control its own destiny.<sup>40</sup>

Knowing that the USA's normalisation of relations with the PRC was inevitable, the preservation of the ROC's security and survival had become the common strategic concern of the ROC government and its opposition movement. The leadership of the ROC, such as Chiang Kai-shek and his son Chiang Ching-kuo, called for self-reliance. The slogan of the ROC government was that "In the face of changes in the political and diplomatic situation, we must combine perseverance with calmness to tide over the crisis and to man the helm for ourselves and assure our own success."<sup>41</sup>

Under the circumstances, the ROC was very keen on co-operating with South Africa to assist the RSA in its production of enriched uranium so as to ensure the diversification of uranium supply to the ROC.

## **5.5 THE ESTABLISHMENT OF URANIUM AND NUCLEAR INDUSTRIES IN THE RSA**

South Africa has long been known as one of the major producers of gold and uranium in the Western World. To a large extent, South African uranium is largely a by-product of the gold-mining industry as the gold reefs usually contain uranium. Uranium deposits are typified by lower-grade sedimentary deposits, which are found in various areas, particularly in the Witwatersrand Basin, the northern Transvaal, the southern Karoo and the northern Cape.<sup>42</sup>

According to the evaluation made by the RSA's Atomic Energy Board (AEB) in 1981, approximately 98% of South Africa's uranium was produced from the quartz pebble

conglomerate of the Witwatersrand Basin as a by-product or co-product of gold. The remainder came from outside the Witwatersrand Basin, including the Phalaborwa carbonatite deposit (a by-product of copper), the uraniferous coal deposits of the northern Transvaal, the sandstone occurrences in the southern Karoo, and the surficial deposits of the northern Cape.<sup>43</sup> South Africa's uranium deposits are so abundant that South Africa ranked second in world uranium reserves, and that throughout the period of the 1970s and 1980s, it was the second largest producer in world uranium production, accounting for approximately 20 percent of the Western World's uranium exports.<sup>44</sup> The afore-mentioned uranium deposits, however, did not include the well-known Rössing uranium mine in SWA/Namibia which was still under South African rule before Namibian independence on March 21<sup>st</sup>, 1990. If we combine South Africa's deposits with those in SWA/Namibia, South Africa was actually the most important uranium source in the world prior to 1990.

The importance of South Africa's uranium resources was not fully appreciated by the Western powers until the end of the Second World War, when the USA and Britain were searching for uranium to manufacture atomic bombs. In 1945, the two governments assigned G.W. Bain and C F. Davidson, two top uranium specialists, to visit the Union of South Africa. A systematic investigation was conducted to survey the potentialities of uranium deposits in South Africa. This combined survey concluded that "Present evidence appears to indicate that the Rand [Witwatersrand] may be one of the largest low-grade uranium fields in the world."<sup>45</sup>

In order to co-ordinate the development and research projects relating to uranium, the Prime Minister of the Union of South Africa, Jan Smuts, appointed a Uranium Research Committee in February 1946. The said Committee, in conjunction with the government Metallurgical Laboratory (GML), made concerted efforts to find the most economical method of uranium extraction from the gold ores. In the meantime, both Smuts and later the National Party realised that legislation had to be introduced to control uranium and nuclear energy development. Towards the end of 1947, the United Party government started to draft a comprehensive Uranium Bill to regulate the related

activities. However, the prospective legislation was never introduced to Parliament by the United Party due to the general election held in May 1948 and its subsequent loss of power. It was the National Party government that enacted the Atomic Energy Act soon after it came to power in 1948. The Atomic Energy Act (Act No. 35 of 1948) came into force on January 1<sup>st</sup>, 1949.<sup>46</sup>

Based on this Act, the Atomic Energy Board (AEB) was established in 1948. The AEB's function was primarily to handle research and development in respect of nuclear materials and techniques. Apart from the AEB, the Council for Science and Industrial Research (CSIR) and some universities were also involved with nuclear research. But the final negotiations of sales contracts of extract uranium in concentrate form were handled by the Nuclear Fuels Corporation of South Africa (Pty) Ltd.<sup>47</sup> In 1959 the Atomic Energy Act was amended to provide for the establishment of a nuclear research and development programme at Pelindaba under the control of the AEB. In 1970, the Uranium Enrichment Corporation of South Africa Limited (Ucor) was established by the Uranium Enrichment Act (Act 33 of 1970) and construction of a pilot plant at Pelindaba, the Ucor site, commenced in the same year. The main purpose for the setting up of the said pilot plant was to test a novel uranium enrichment process.<sup>48</sup>

To integrate the various nuclear research institutions, a new Nuclear Energy Act (Act 92 of 1982) was introduced in 1982 to bring all the nuclear research and development activities in South Africa funded by the State under the control of the Atomic Energy Corporation of South Africa Limited (AEC). The newly-established Nuclear Development Corporation of SA (Pty) Ltd. (Nucor – previously the AEB) and the Ucor were to be subsidiary companies of the AEC. With effect from July 1<sup>st</sup>, 1985 the activities of Nucor and Ucor were integrated and incorporated into the AEC under the control of a single Board of Directors with an Executive Chairman in terms of the Nuclear Energy Act of 1982 which superseded all previous legislation regarding nuclear energy in South Africa. The restructuring of all nuclear research and development organisation was thus completed by 1985.<sup>49</sup>

The prevention of nuclear proliferation and the control of the availability of fissionable materials were the essential policy of the major powers in the post-war era. These nuclear countries such as the USA, the Soviet Union, Britain, France and the PRC aimed to monopolise the possession of nuclear weapons and to safeguard international security. The 1968 Nuclear Non-Proliferation Treaty (NPT) and the systems of safeguards administered by the International Atomic Energy Agency (IAEA) constituted initial steps in a long-term effort to restrain nuclear proliferation.<sup>50</sup>

To prevent South Africa from making nuclear bombs, international safeguard measures were also imposed on South Africa. Although South Africa was the second largest producer of uranium in the Western World with the second-largest proven reserves, South Africa was restrained from developing its own enrichment process and acquiring the technology of making both nuclear fuel fabrication and nuclear weapons. South Africa was merely allowed to play a key role in the provision of the raw material – uranium. South Africa was discouraged and prevented from becoming a self-sufficient nuclear country and would have to be dependent on the USA for a supply of enriched uranium unless the RSA started its own independent nuclear enrichment.<sup>51</sup>

Despite the existence of friendly co-operation between South Africa and the major Western powers such as the USA, the UK and West Germany in the nuclear field from 1945 to the 1960s, these major Western powers had no intention to assist South Africa in developing an independent nuclear enrichment programme without any safeguards at all. It was feared that with the unsafeguarded enrichment plant, South Africa might be able to manufacture nuclear weapons. This would be detrimental to the strategic interest of the West. Therefore, most of the Western nuclear co-operation projects with South Africa were confined to the exploration, prospecting, and production of uranium. In other words, the West considered South Africa simply as a leading uranium producer and “protégé of the nuclear arms race.”<sup>52</sup>

In order to ensure that South Africa would not violate nuclear proliferation and export its uranium to undesirable, rogue countries or resale and divert enriched uranium and

fissile materials to third parties, highly restrictive conditions were attached to the enriched uranium supplied by the Western countries to South Africa. Apart from these safeguard conditions imposed by the Western uranium suppliers, South Africa's marketing of uranium was also controlled by the Combined Development Agency (CDA), a joint USA and British uranium procurement organisation during the period from the 1950s to the mid-1960s. During that period the CDA was the sole buyer of South African uranium oxide and the price was fixed for a ten-year period. Most of the loans and capital investments in South Africa's uranium production came from the USA and the UK.<sup>53</sup>

The West's monopoly of the world's nuclear raw materials changed only after the mid-1960s when an overproduction of uranium occurred in Australia, Canada, the USA and other countries. As a result of overproduction of world uranium, the demand for South Africa's uranium declined and the CDA gradually phased out its orders of procurement of uranium for military purpose from South Africa in the mid-1960s. During the period from the mid-1960s to the early 1970s, the uranium prices became stagnant. From the 1970s to 1989 the market for natural uranium fluctuated considerably. The number of mines producing uranium in South Africa decreased from twenty-nine at the peak of military contracts during the 1950s to eight in 1975.<sup>54</sup>

These facts reflect that during the 1950s to the 1960s, South Africa's uranium industry was the monopoly of the USA–UK, and that South Africa's role was confined by the Anglo-American CDA to provide the raw material of uranium to the USA and the UK. With the passage of time, the South African government became dissatisfied with the restricted role as a mere uranium producer.<sup>55</sup>

It was apparent that from the mid-1960s onwards, South Africa's uranium mining industry was at a crossroads. It needed not only to divert its uranium market to other parts of the world, but also to sell its uranium in enriched form so as to get better prices than unprocessed uranium oxide. If the commercial production of enriched uranium could succeed, it would serve many purposes for South Africa. In the first place, as

compared with natural uranium oxide, the exported enriched uranium fetched far higher prices and the enriched uranium could be further used to produce radioisotopes. From the economic point of view, the added value of the enriched uranium was much higher than natural uranium. With the country's abundance of uranium, it was necessary for South Africa to pursue uranium enrichment and to surpass the role of a mere uranium producer. It was estimated that the production of radioisotopes could increase the foreign trade value of the enriched uranium up to forty times the normal selling price.<sup>56</sup>

Secondly, from the vantage point of electrical needs, following the industrial development in South Africa, nation-wide electrical demands were increasing. To meet this need, the construction of nuclear power stations would be inevitable. As early as 1954, related assessments and cost evaluations had been made in South Africa. In May 1971, Eskom decided to build the Koeberg nuclear power station to generate electricity for the Cape region. In order for South Africa to be self-sufficient in providing nuclear fuel for the reactors of the future nuclear power stations, there was a need to produce its own enriched uranium.<sup>57</sup>

Thirdly, the development of enriched uranium, in particular the weapon-grade highly enriched uranium (HEU), would eventually enable South Africa to produce atomic bombs. From strategic considerations, the possession of nuclear weapons seemed likely to earn prestige, influence and bargaining power for the RSA and to bolster its security, by using atomic bombs as a deterrent in the event of the worst scenario. Besides, it would demonstrate its technical ability and enhance the self-confidence of the white minority government and its international status.<sup>58</sup>

The strategic motivation should be understood from the historical context of the increasing international isolation of the South African government after the 1960s and its fear of the lack of security in the 1970s–1980s. The RSA's international position was rapidly deteriorating at the time. Pretoria was deeply worried by the increasing international isolation and encirclement by hostile African countries, as well as by Soviet



expansionist threats.<sup>59</sup> The above-mentioned factors were the main motivations for South Africa to create its own nuclear industry and to produce enriched uranium.

The establishment of the South African uranium and nuclear industries, as discussed in the preceding pages, dated back to the years after the end of the Second World War. At first, the USA and the UK were its main partners. Prior to the early 1970s, the South African uranium and nuclear industries were closely linked to the West. From the end of the Second World War to the year 1977 when the Carter administration took office, notwithstanding the mounting anti-South African pressure in the United Nations, there were friendly and co-operative relations in the nuclear field between South Africa, the USA, the United Kingdom (UK) and West Germany. During this period, South Africa provided the USA and the UK with huge amounts of uranium. These uranium supplies were vital to the Western military nuclear programme. As the most important country in the region of Africa in terms of the production of uranium and the advancement of technology of atomic energy, South Africa was one of the seven countries invited by the USA to participate in the initial discussions and drafting of a statute regarding the establishment of the International Atomic Energy Agency (IAEA) in Vienna. South Africa was even accorded with a permanent seat on the Board of Governors of the IAEA.<sup>60</sup>

In 1957, South Africa entered into a bilateral inter-government agreement with the USA regarding the civil uses of atomic energy. This agreement was subsequently renewed with few amendments in 1962 and extended to the year 2007. According to the agreement, highly-enriched nuclear fuel would be supplied to the RSA on a lease basis as ordered. Despite the growing international criticism of the RSA after the Sharpeville massacre of 1960, the RSA–USA nuclear co-operation continued throughout the 1960s. This was exemplified by the provision of the first research reactor – SAFARI I (SAFARI was the abbreviation for South African Fundamental Atomic Reactor Installation) --to South Africa from the USA in 1965.<sup>61</sup>

Similar cordial nuclear collaboration existed between South Africa and the UK in the 1950s and the beginning of the 1960s. The UK purchased uranium from the huge Rössing mine in South West Africa. West Germany also had considerable nuclear co-operations with South Africa in particular in the fields of exchange of visits of leading nuclear scientists and comparative studies of German enrichment technology developed at Karlsruhe.<sup>62</sup>

However, as from the latter half of the 1960s, South Africa's nuclear relations with the West deteriorated, and the RSA's position on the international nuclear hierarchy began to decline. This was partially due to the RSA's unpopular Apartheid policies and the rising anti-Apartheid protests in the West, especially in the USA and the UK. The South African government's strong security measures to clamp down on internal militant black nationalism in the 1960s and the 1970s had heightened international hostility and "the negative international political attitude towards South Africa."<sup>63</sup> The tension was further intensified by Pretoria's refusal to sign the Final Act to become a party to the 1968 Non-Proliferation Treaty (NPT) and also by the increasing mistrust existing between the RSA and the USA. The NPT was an international mechanism devised by the USA in collaboration with the USSR to inhibit the spread of nuclear weapons. By refraining from becoming a party to the NPT, it was tantamount to sending a clear indication to the international community that the RSA intended to develop nuclear weapons. This meant that the RSA was not obligated to place its nuclear facilities, material and enriched uranium or plutonium under the control of the international safeguards system. The USA was rather annoyed by Pretoria's defiance. Consequently, there was concern and suspicion that the nuclear fuel supplied by the USA could possibly be channelled into the production of nuclear weapons by the RSA.<sup>64</sup>

By the early 1970s, as the anti-South African lobby was exerting pressure on the USA government, the political tide in the USA began to turn against the USA–RSA nuclear co-operation. Accordingly, the USA government became extremely cautious and refused to co-operate with the RSA in developing an advanced enrichment process.<sup>65</sup> In 1977, the Carter administration came to power in lieu of the Republican Nixon-Ford

administrations. The advent of President Carter's Democratic administration had brought significant impacts on the USA international relations with the RSA and the ROC respectively. With the appointment of many black Americans and human rights protagonists like Andrew Young in the Carter administration, the USA government was heading towards confrontation with South Africa rather than co-operation.

As the anti-Apartheid movement and calls for sanctions against the RSA were gaining momentum throughout the USA, the United States started to take concrete measures to prohibit the export of nuclear equipment, component parts, and technology to South Africa. The USA State Department refused to grant an export licence for the delivery of enriched uranium for the Koeberg power station which was ordered by Eskom in accordance with its 1974 contract with the USA Department of Energy. The application made by General Electric Co. to the USA government for the export of \$2 billion worth of nuclear reactors for the Koeberg power station was cancelled. The USA government even dissuaded other countries from supplying enriched uranium to South Africa. By the end of 1977, the USA-RSA Nuclear Co-operation Agreement was "a dead letter and the United States had reneged on its commitments, e.g. to supply Safari I with enriched fuel."<sup>66</sup>

South Africa's relations with the USA and other leading Western countries had rapidly deteriorated to such an extent that "it became steadily more difficult for any South African scientist even distantly connected with South Africa's nuclear programme to secure a visa to visit a United States nuclear institution or installation."<sup>67</sup> The adverse political climate also led the RSA's nuclear relations with the UK and West Germany to decline to a very low ebb. By the 1970s, British nuclear scientists ceased to visit South Africa, and by late 1976, "the river of West German/South African nuclear co-operation had become little more than a bed of sand."<sup>68</sup> For the USA-ROC relations, a similar trend was in the making. The Carter administration was tilting away from the ROC and toward the PRC. Carter was determined to recognise Beijing and poised to end the official USA relationship with Taipei.

## **5.6 THE IMPLEMENTATION OF ROC–RSA NUCLEAR CO-OPERATION**

The nuclear co-operation between the ROC and the RSA started in 1980 after the official visit made by the then Premier of the ROC, Sun Yun-suan, in March 1980 to South Africa and the return visit of P. W. Botha to Taiwan in October 1980. It ended in September 1989 when F. W. de Klerk was elected as President of the RSA.

The scope of activities of the ROC's nuclear co-operation with the RSA was mainly focused on the sharing of nuclear technology and expertise; the exchange of visits of leading nuclear scientists; the development of a commercial enrichment plant at Pelindaba to export enriched nuclear fuel on an industrial scale; the seconding of the ROC's nuclear experts to assist Ucor in the nuclear programme; the supply of nuclear equipment and material by one party to another; and the participation of the ROC in the financing of the projected construction of the Z-Plant.<sup>69</sup> The objective for the ROC's collaboration with the RSA in the 1980s to develop uranium was, as already mentioned, to ensure and diversify its sources of supply of nuclear fuel and to "turn to nuclear energy as a power source."<sup>70</sup>

Although the ROC did sign a long-term fuel supply contract with the USA for its first three nuclear power stations, it was merely for a power capacity up to 7500MW, and the fuel supply for the planned Stations No.4, 5 and 6 was not secured. Therefore, the ROC saw a real need to diversify its sources of supply of enriched uranium. To ensure the stability of fuel provision and the prevention of a disruption of nuclear fuel supply arising from external political interference and its increasing diplomatic isolation, the ROC contemplated stockpiling enriched uranium against future demands through the conclusion of a long-term supply contract with South Africa. To this end, the ROC signed a six-year contract to purchase 4000 tons of uranium from the RSA in 1980. In exchange for the supply of uranium, the ROC agreed to provide technological expertise, spare parts and funding for South Africa's nuclear energy programme, and scientists from Taiwan were sent to South Africa to work on the production of enriched uranium.<sup>71</sup>

As far as the RSA was concerned, the tide of events from late 1976 turned against her as the international nuclear sanctions against South Africa were accelerated. The Western powers reneged on their respective nuclear commitments to South Africa, and all transfers of fissionable material and equipment that could be used for developing the capability of producing nuclear arms were terminated. The General Assembly of the UN called upon member states to stop their purchases of uranium from South Africa and Namibia. It also requested the IAEA to refrain from providing any nuclear facility to South Africa, and to inspect all nuclear installations and facilities of the RSA. However, the P. W. Botha administration refused to accede to the Nuclear Non-Proliferation Treaty (NPT). To cope with the heightening international nuclear sanctions against South Africa, the RSA turned to the ROC for assistance in terms of nuclear technology, spare parts, manpower and financing for a semi-commercial uranium enrichment plant. This would produce nuclear fuel for the Koeberg power plant, which was planned to be commissioned in 1985 and for export to markets including the ROC.<sup>72</sup>

From the above description, it can be seen that the bilateral nuclear co-operation between the ROC and the RSA did not purport to the building of nuclear weapons. The ROC–RSA nuclear endeavours were primarily for the purpose of the development of nuclear energy development. This conclusion is based on the available documents of the ROC official archives.<sup>73</sup>

There were, however, contrary reports, which speculated that the main purpose for the ROC, Israel and South Africa to band together in a “Nuclear-triangle” was to make atomic bombs. It has been alleged that Taiwanese nuclear scientists were working in South Africa on the production of weapons-grade uranium, and that Israel was also assisting South Africa with nuclear technology.<sup>74</sup> Since the “triangular relationship” between South Africa, Israel and the ROC falls outside the scope of this study, the nature of the “triangular nuclear contacts” will not be considered in this dissertation. But due to the following factors, it is unlikely that the ROC’s nuclear interactions with the RSA during the 1980s were centred upon the development of atomic bombs as speculated by the various reports:

Firstly, the ROC–RSA nuclear co-operation projects officially commenced from 1980. By the year 1979, one year before the start of the ROC–RSA nuclear joint endeavour, South Africa had already completed its first fully assembled nuclear device, which was designed for a fully instrumented underground test. The Action Committee appointed by P. W. Botha in July 1979 recommended the making of six additional nuclear devices totalling seven all together. Armscor, the South African arms manufacturing corporation, was designated by the said Action Committee to develop and manufacture these nuclear devices as from July 1979.<sup>75</sup> In view of the fact that this ROC–RSA nuclear energy co-operation programme actually commenced after 1980 when South Africa already possessed its own atomic bomb, and the joint nuclear co-operation was conducted through the AEB and Ucor, not with Armscor, it is apparent that the nuclear co-operation between the two countries was primarily conducted in the field of nuclear fuel and supply for “research and development on the peaceful application of nuclear energy”, as stated by the Joint Memorandum of Understanding between the ROC and the RSA in 1980.<sup>76</sup>

Secondly, as pointed out earlier, the ROC’s nuclear development programme was under strict international safeguards and its progress was constantly monitored by the secret agents of the CIA planted among the ROC nuclear scientists. Therefore, it was almost impossible for the ROC to divert its peaceful nuclear energy project to an independent nuclear-weapons’ programme without being detected and stopped by the USA who feared that the manufacturing of atomic bombs by the ROC would destabilise the strategic balance in East Asia.<sup>77</sup>

Thirdly, as described in the preceding part of this chapter, the ROC’s new president, Chiang Ching-kuo, had decided not to pursue the making of atomic bombs because of his realisation of the fact that the conflict between the ROC and the PRC across the Taiwan Straits concerned political ideology more than military annihilation. For the ROC government, the people on Mainland China are the same Chinese people. They can not use nuclear weapons against their brothers and sisters. This factor inhibited the

ROC government from developing nuclear weapons. Moreover, the PRC had indirectly warned the ROC through the media in Hong Kong that the PRC would attack the ROC by military force if the ROC declared the independence of Taiwan from China, sought foreign intervention, or ventured to make atomic bombs.<sup>78</sup> Under these circumstances, although the ROC was in a position to develop nuclear weapons and it had the nuclear capacity to do so, the above-said factors and the legal binding of the Non-Proliferation Treaty (NPT) discouraged the ROC from the pursuit of an independent military nuclear venture.

The Chairman of the AEC of the ROC, Chen-hsing Yen, elaborated that:

Since the Republic of China has no aggressive designs on any other country, there would be no need for offensive atomic weapons. Even in the event of civil war, there are no circumstances under which we would consider using nuclear weapons for massive destruction, Therefore, there is no motivation to embark on a nuclear weapons' programme. Moreover, any such attempt would immediately jeopardize our real programme of nuclear development for peace upon which we have already lavished so much of our intellectual concentration, our economic resources and our time and devotion.<sup>79</sup>

This was a revelation to various speculations of the real motivation and objective of the ROC's nuclear co-operation with South Africa.

The ROC's nuclear collaboration with the RSA took its origins from the contact made between the AEC of the ROC and the AEB of the RSA in November 1979. During the period from November 25<sup>th</sup> to December 1<sup>st</sup>, 1979, the president of the AEB, J. W. L. de Villiers, paid a visit to Taiwan to evaluate the progress of the ROC in the nuclear field and the prospect of future nuclear energy co-operation. Discussions were held with the leadership of AEC and K.T. Li, the ROC Minister of State in charge of technology and science, but nothing concrete came out of the visit. Nevertheless, this was the first

nuclear contact that was officially recorded in the TLO archives. Throughout the visit De Villiers was convinced that the ROC was in a position to assist South Africa to develop its nuclear industry. He was however slightly worried that the USA might eventually intervene and disrupt the ROC nuclear co-operation with the RSA in accordance with the safeguard clause of the NPT and the USA–ROC mutual agreement on the supply of nuclear fuel.<sup>80</sup> The trip paved the way for further exchange of visits by high-ranking officials and the nuclear scientists of the two countries.

In March 1980, Sun Yun-suan, the then Premier of the ROC, led a delegation of 55 persons including K.T. Li, the then Minister without Portfolio in charge of science, technology and nuclear energy development, to pay an official visit to South Africa. The visit was intended to foster bilateral co-operation in the areas of diplomacy, military, economy, trade, navigation, shipping, aviation, science, technology and nuclear energy. For reasons of strategic importance and national security, South Africa's uranium industry was one of the priority aspects for the ROC delegation to explore. In order to assess the capacity of South Africa's uranium enrichment process and the possibility of signing an agreement to buy uranium from the RSA on a long-term basis, the ROC government also assigned the Chairman of the Board of Directors of Taipower, Chen Lan-kao, and the Vice Minister of the ROC Ministry of Economic Affairs, Wang Yi-ting, together with Minister of State, K.T. Li, and Ambassador H. K. Yang to accompany Premier Sun on his visit to the uranium enrichment pilot plant at Pelindaba on March 14<sup>th</sup>, 1980. They were warmly received by A.J.A. Roux, Chairman of Ucor, at Pelindaba, and briefed on the uranium enrichment process used by the Ucor pilot plant there and the constraints to expand the pilot plant to an economically viable production plant capable of meeting South Africa's needs and exports in the course of time. Some members of the delegation visited the uranium production site. The two sides held discussions with regard to the question of nuclear co-operation and the procurement of uranium. They exchanged views on the operational condition of the Pelindaba uranium enrichment plant, the prospective quantity and price of enriched products for export, the terms of foreign investment and co-operation in respect of the general situation of the supply of natural uranium to the ROC, and the peaceful application of nuclear energy for



electricity. The discussion also touched upon the past experience and future prospects of South Africa's nuclear co-operation with France. Apart from these issues, considerable time was spent on discussing the extensive application of irradiation for the preservation of the freshness of flowers and food, and antiseptics of medical and pharmaceutical products.<sup>81</sup>

The attitude of the two sides was recorded to be so "sincere and candid" that both parties concluded that nuclear co-operation between the ROC and the RSA would be strategically important to the self-sufficiency of energy and to the nuclear strategies of the two governments in the face of international isolation.<sup>82</sup> Arising out of their discussions, a contract for the procurement of 4080 tons of uranium worth 400 million US dollars was signed on March 14<sup>th</sup>, 1980 by Taipower and the Nuclear Fuels Corporation of South Africa (Pty) Ltd. (NUFCOR). NUFCOR was responsible for the negotiation of sales contracts of uranium on behalf of various South African mining companies, to provide uranium for the nuclear power plants in Taiwan for the duration of 1984-1990.<sup>83</sup> In addition to the purchase contract to buy uranium for Taipower, the ROC government was interested in entering into an official agreement on collaboration in the field of uranium enrichment between the two countries. Although the ROC delegation and the representatives of Ucor had expressed their mutual interest in the conversion of uranium concentrates to uranium hexafluoride and its enrichment to a level required for fuel elements used in nuclear power plants (light water reactors) during the meeting of March 14<sup>th</sup>, 1980 at Pelindaba, the conclusions of the said meeting and the envisaged details of the ROC–RSA nuclear co-operation programme still needed to be drawn up in an official agreement which could be presented to the other government for its concurrence. In order to initiate the nuclear co-operation programme, K.T. Li, the ROC Minister of State, decided to stay in Pretoria to draft a memorandum pertaining to ROC–RSA nuclear co-operation. Consequently, the first document entitled "Draft Memorandum on Possible Collaboration between the Republic of China and the Republic of South Africa in the Fields of Conversion and Enrichment of Uranium" was written by K.T. Li. In the said memorandum, the main matters raised and the most important conclusions reached at the meeting of March 14<sup>th</sup>, 1980 at Pelindaba were

summarised, and the objective and the need for a joint feasibility study also clearly stated. Having completed the memorandum, Li arranged a subsequent meeting with the AEB (SA) and Ucor on the morning of March 21<sup>st</sup>, 1980, and after further discussion, the draft memorandum was accepted by the representatives of the two sides as a basis for the ROC–RSA nuclear co-operation. At the end of the meeting, this memorandum was signed by Li, the ROC Minister of State, and A.J.A. Roux, Chairman of Ucor (SA).<sup>84</sup> This memorandum thus became the first working document which ushered in the new era of ROC–RSA nuclear co-operation.

The ROC's nuclear relations with the RSA, however, were economic in nature, rather than for political and military reasons. The ROC's military and its research and development institute, Chungshan Institute of Science and Technology (CIST), were not involved in the nuclear co-operation programme. The nuclear energy co-operation between the ROC and the RSA was a pragmatically based joint venture. The common predicament and complementary interests had led the two governments to recognise that although these two countries were operating in totally different regional and political environments, the combined effort in pooling their natural and human resources could become quite substantial and beneficial to the development of their nuclear energy programmes. Economically, South Africa's abundant and cheap mineral industries complemented the ROC's plenitude of well-educated skilled labour, advanced machine tools, and internationally leading production of consumer electronics. The ROC had talented nuclear physicists and a rather advanced nuclear-science and technology base, but it lacked indigenous uranium enrichment plants, reprocessing facilities and raw resources of uranium. As a complement to the ROC's need, South Africa was in the process of building a commercial-scale uranium enrichment plant. The endeavour involved immense research and development and production costs. The launch of the nuclear energy programme by the South African nuclear authorities on their own would be a fairly expensive task in terms of capital input, marketing of enriched uranium, and overall technological sophistication. Therefore, the RSA needed a friendly country with similar ideology affinities and pariah status, like the ROC, to participate in the South African nuclear-energy programme.



Strategically, there were valid considerations for the two countries to go nuclear and proceed with the joint venture. Both governments adopted the tactics of deterrence-by-uncertainty and strategic ambiguity. Both countries would neither confirm nor deny whether they acquired nuclear weapon capability to scare their potential enemies. In order not to arouse unwanted hostility and domestic and international opposition to this endeavour, the nuclear co-operation programme between the ROC and the RSA was classified by both governments as “top secret”. The officials handling the programme were senior officials or the chief of the diplomatic mission. On the ROC side, all correspondence was handled by Wei-jen Hu, the then Political Counsellor of the ROC Embassy in Pretoria, or the then ROC Ambassador H. K. Yang, himself, through coded telex communication or official dispatches marked “top secret.”<sup>85</sup>

To safeguard the confidentiality of the nuclear co-operation programme, a secrecy clause was included in the memorandum:

In view of the sensitive nature of the subject discussed in this memorandum, both parties agree to keep these discussions and any subsequent developments secret until it is mutually agreed otherwise.<sup>86</sup>

Other sensitive co-operative projects in the ROC–RSA relationship such as military, security and intelligence co-operations were conducted mostly quietly and covertly. Despite the close collaboration of the two governments during the 1980s, no press release was issued because the media of the West and South Africa were perceived by the ROC government to be dominated by the liberal establishment which was ideologically unfriendly to the ROC, a strong anti-Communist country.<sup>87</sup>

Although the South African nuclear research and development programme did achieve significant progress, and a pilot uranium enrichment plant (named the Y-project) which was set up by 1969 in Pelindaba near Pretoria had demonstrated that the Ucor enrichment process was workable, there were still some constraints on the RSA’s

nuclear industry. The first and foremost constraint concerned making its scale of production commercially economic and viable. In 1976, the construction of the Koeberg nuclear power station started and it was planned to become operational by 1982. The Koeberg power plant would need sufficient nuclear fuel elements, which were denied to South Africa due to international boycotts and sanctions. The pilot plant at Pelindaba was brought into full operation on March 4<sup>th</sup>, 1977. The Y-Plant started to produce its first highly enriched uranium (HEU) in January 1978. Encouraged by the success of the Ucor enrichment process, the South African government embarked on the third phase of its nuclear programme, namely the construction of a semi-commercial enrichment plant (the Z-project) in 1978 which was completed at the end of 1986. This enrichment plant was scheduled to start production in the mid-1980s with a total enrichment capacity of about 250 – 300 tons separative work per annum (t SW/a), which was sufficient for South Africa's domestic needs in the short term.<sup>88</sup>

However, the scale of production of the said plant was too small to be economic. The Chairman of the Atomic Energy Corporation of South Africa Ltd. (AEC) which replaced the previous AEB from 1982, namely J.W. de Villiers, frankly indicated the deficiency of the plant as follows:

The scale of production is, however, some ten times smaller than that accepted as the minimum economic scale. Consequently, the production processes are not commercially viable, but the challenge of reducing costs and, if justified, commissioning more economic processes has been accepted by the AEC and is being actively pursued.<sup>89</sup>

The enrichment capacity of South Africa's Z-project was indeed limited in comparison with other enrichment plants installed in the Western World, and even in the USSR, at the time. For instance, the enrichment capacity of DOE (the USA) was 27,300 t SW/a in 1982/3. In France, the Eurodif plant had a total capacity of 10,800 t SW/a; and a second plant of similar size (Ccredit) was also to be completed in the mid-1980s. The USSR's total capacity was unknown, but it sold up to 3000 t SW/a to the Western World

alone during the same period. Even the Urenco organisation, a group of British, Dutch and German companies, had centrifuge enrichment plants with a total capacity of over 1000 t SW/a in operation in the UK and the Netherlands. The Urenco plants were planned to reach a total capacity of about 5000 t SW/a by 1995.<sup>90</sup>

From the above comparative figures, it was apparent that the minimum size for an enrichment production plant to be globally competitive and commercially viable should be about 1000 t SW/a. With a total capacity of only 250-300 t SW/a, South Africa's enrichment production plant would require considerable expansion, as was recommended by K.T. Li in the Memorandum of Nuclear Collaboration between the ROC and the RSA, dated March 21<sup>st</sup>, 1980.<sup>91</sup>

In order to proceed with the nuclear co-operation programme, the two governments officially approved the contents of the memorandum in July 1980, and the final version of the memorandum was signed in September 1980 by the Chairman of the Board of Directors of Taipower, Chen Lan-kao, and the Chairman of Ucor, A.J.A. Roux. In fact, earlier on, an Agreement for Co-operation Between the government of the Republic of China and the government of the Republic of South Africa on the Peaceful Uses of Nuclear Energy was secretly concluded in March 1980.<sup>92</sup> The memorandum was actually based on the spirit of the former agreement. The contents of the said agreement was basically similar to that of the memorandum, except the former specified the broader outline and perspective of the nuclear co-operation of the two countries as compared with the latter. The validity of the agreement was for a period of twenty (20) years, and either party had to give the other party twelve (12) months' written notice if it intended to terminate the said agreement.<sup>93</sup>

In accordance with Article III of the 1980 agreement, the aim of the ROC–RSA nuclear co-operation programme was simply for peaceful purposes only and not for the development of nuclear weapons. It clearly stated that:

Each Party shall ensure that the nuclear material, equipment and nuclear facilities obtained by it or by persons under its jurisdiction pursuant to this Agreement and any nuclear material used in or in conjunction with or derived from such nuclear material, equipment and nuclear facilities:

- (a) shall be used for peaceful purposes only and not for the production of nuclear weapons or any other nuclear explosive devices;
- (b) shall be subject to safeguards to be implemented by the International Atomic Energy Agency or equivalent safeguards as may be agreed upon by the parties;
- (c) shall not be transferred beyond its jurisdiction unless the prior approval of the supplying party has been obtained and arrangements have been made for the continued application of safeguards by the International Atomic Energy Agency or equivalent safeguards as may be agreed upon by the parties.<sup>94</sup>

The aim of ROC–RSA nuclear co-operation was to exchange the latest nuclear technology, equipment and to acquire the ROC’s financing, which would allow the RSA’s nuclear enrichment production to expand. What the RSA needed from the ROC was technical and logistic support, marketing and the provision of components and machine tools for the South African nuclear industry.

The prime object for the ROC–RSA joint operations was not for the purpose of making nuclear weapons, nor for sharing the secret of the unique South African uranium enrichment process. It was true that South Africa had invented its own method of enriching uranium, which could be used for making nuclear weapons. It was also true that South Africa had enough raw materials and planned to develop its own nuclear capability. Nevertheless, it was noteworthy that the South African uranium industry and its uranium enrichment industry were already so well advanced in the 1980s that the RSA did not need the ROC’s scientific know-how to produce atomic bombs or to upgrade the South African uranium enrichment process.<sup>95</sup>

Towards the end, the memorandum permitted the two countries to assist each other in the exchange of information and technological expertise pertaining to the development, design, construction and test of various specialised equipment; the elimination of plant problems; improvement of general efficiency; techniques of extracting uranium; as well as the storage of spent nuclear fuel; irradiation technology for food, agricultural products and packaging materials; and the use of radioisotopes for industry and medicine.<sup>96</sup>

As the construction of its first nuclear power station at Koeberg was due for completion in 1982, and the USA had refused to supply South Africa with nuclear fuel since 1978, South Africa was anxious to expedite its uranium enrichment co-operation programme with the ROC so as to meet the needs of the Koeberg power plant. The sense of urgency was further heightened by the scheduled running of the two reactors. Of the two reactors, one was planned to come into operation in June 1982 or at the latest, 1983, and the other was due in 1983. Therefore, it was imperative to either acquire from a third country or locally produce enough enriched fuel to load into the fuel rods of the reactors, otherwise the Koeberg nuclear power station would remain inoperable.<sup>97</sup>

To facilitate the implementation of ROC–RSA nuclear co-operation programme, a two-tier mechanism was established in 1980 between Taipower and Ucor, allowing the two to liaise and carry out nuclear collaboration. The two-tier mechanism included a Supervisory Committee and a Working Group. Each country set up its own Supervisory Committee and Working Group to liaise with their counterparts from the other country. The Supervisory Committee of each country comprised three senior chiefs of respective nuclear institutes or the director of the board of directors. The three members of the RSA's Supervisory Committee were A.J.A. Roux, Chairman of Ucor; W.L. Grant, Managing Director of Ucor; and J.J. Kitshoff, Former Chairman of Industrial Development Corp. and the Director of Ucor. The members of the Ucor Working Group, their names and number of persons changed from time to time according to the need of the ongoing projects.<sup>98</sup> At a certain stage in August 1980, there were twenty-four South African senior scientists and nuclear physicists personnel involved in the ROC–RSA joint working programme at Pelindaba. Many Ucor nuclear engineers and physicists,

including those from Ucor's enrichment operations, conversion plant and design division took part in the co-operation programme.<sup>99</sup>

The ROC Supervisory Committee was led by Chen Lan-kao (also known as L. K. Chen), Chairman (President) of Taipower. The ROC Working Group included Lan Cheng, Vice President of Taipower; Pei-chun Liu, Director of the Atomic Power Department, Taipower; C.T. Hsu, Deputy Director of Atomic Power, Taipower; Ci-peng Chien, Director, Institute of Nuclear Energy Research (INER); Yih-de Chuang, Chief, Hot laboratory, INER; and Nein-nan Hsu, Assistant Scientist of the INER.<sup>100</sup>

With the two-tier mechanism and agreed memorandum in place, the two governments launched the ROC–RSA nuclear co-operation programme from 1980 to 1987. During the period of nearly one decade of nuclear joint venture between the ROC and the RSA, the bilateral nuclear ties were greatly expanded, and considerable progress was achieved in terms of the strengthening of the nuclear capabilities of the two countries. The delegations of the Supervisory Committees and the Working Groups of the two countries started to visit the nuclear research institutions of the other country frequently as from 1980. The first meeting of the Supervisory Committees of the two countries was held in October 1980 in Pretoria. The second meeting of the Supervisory Committees took place in Taipei in April 1981. The third meeting was organised by Ucor in its Board Room during November 9<sup>th</sup>–10<sup>th</sup>, 1982. The members of the ROC Supervisory Committee visited UF6 Conversion Plant, MZ Plant, compress test facility, Production Plant including chemical cleaning, production hall and service basement.<sup>101</sup>

The exchange of visits of the Supervisory Committees and Working Groups of the two countries were conducted in secret. In order to prevent the CIA from finding out about the ongoing nuclear co-operation and to hide the joint endeavour beneath a veneer of commercial interactions, a visit to South African mines was usually included in the itinerary of the ROC delegation. For example, the real intent and purpose of the visit of the ROC Supervisory Committee during November 7<sup>th</sup>–12<sup>th</sup>, 1982 was to attend the Third Meeting of Bi-national Supervisory Committees on Nuclear Co-operation held at



Ucor. To make this trip look like a commercial procurement mission, Ucor arranged that the ROC delegation tour the Gold Mine Museum near Johannesburg after the Supervisory Committees' meeting on November 10<sup>th</sup>, 1982 and the Premier Diamond Mine on November 11<sup>th</sup>, 1982.<sup>102</sup>

From 1982 onwards, the meetings of Supervisory Committees were held alternately in Taipei and Pretoria to review the progress of the nuclear co-operation on a regular basis. The real groundwork for building ROC–RSA nuclear links was laid by the bi-national Working Groups. It was through the contacts of physicists that the exchange of information (mainly unclassified) and the supply of nuclear components and equipment were effected.

The first batch of six nuclear experts which comprised the ROC Working Group was dispatched by the ROC government to work at Pelindaba together with twenty-four designated South African counterparts in various nuclear fields during the period from August 20<sup>th</sup>-September 12<sup>th</sup>, 1980 soon after the draft memorandum of nuclear collaboration was signed. The ROC Working Group was invited to assess many aspects of Ucor's Z-project, including its Z1 site, building layout, surface treatment, project management, detail design, procurement, assembly, erection, safety, design, nuclear licensing, pollution control, feed, product and waste plant management, services reticulation, the main process components (e.g. compressors, heat exchangers and valves), compressor blade forging and machining, and the practical cascade and theoretical aspects of cascade.<sup>103</sup>

The purpose of the subsequent visits of the RSA Working Group to the ROC was to seek further assistance from the ROC in the above aspects. Apart from the afore-said job description, the ROC Working Group was also entrusted with the task of reviewing the cost and feasibility of the Z-project and presenting an economic evaluation to the ROC Advisory Committee.<sup>104</sup>

As a matter of fact, in the meeting held in Taipei on August 18<sup>th</sup>, 1980 before the ROC Working Group's departure for South Africa, the Group was briefed by K.T. Li, concerning their mission. They were instructed to co-operate fully with their South African counterparts, but they should avoid causing international misunderstanding. Li told them very frankly that the main objective for the ROC in collaborating with RSA in nuclear industry was to ensure the diversification of the ROC's uranium supply. Li made known that the ROC had no intention to obtain the secret know-how of South Africa's unique uranium enrichment process, and that the two sides had reached a tacit understanding that no sensitive or highly confidential technology would be transferred, excepting the exchange of unclassified information and technology. Therefore, the members of the ROC Working Group were specifically directed not to pry into South Africa's well-guarded secret nuclear extraction process.<sup>105</sup>

Stringent measures were also taken by Ucor to keep the ROC scientists from learning the secret of South Africa's nuclear weapons' programme and technological expertise of processing uranium. When the ROC nuclear physicists were working in South Africa, they were subjected to the signing of a declaration of secrecy. They were not allowed to talk about their work or even mention their visit to Pelindaba. For security reasons, the members of the ROC Working Group travelled to South Africa in two or three batches, under the guise of coal purchasers, holiday-makers or Taipower personnel visiting Eskom, the South African electricity company.<sup>106</sup> In so doing, the CIA and the international media were prevented from learning about the ROC–RSA secret joint endeavour. But the closely-guarded secrecy also gave rise to various wild claims ranging from the South Africa–Israeli–Taiwan trio banding together to make and test nuclear bombs, to their sharing of uranium enrichment secrets.<sup>107</sup> As far as the nuclear collaboration between the ROC and the RSA is concerned, these speculations are misleading.

To strengthen nuclear relations between the two countries, the RSA, on a reciprocal basis, also sent its Working Group and various high-level officials to the ROC during the 1980s. In addition to P.W. Botha's official visit to the ROC in October 1980, the most

notable visits made by high-ranking officials in charge of the RSA's nuclear development programme were those of F. W. de Klerk, the then Minister of Mineral and Energy Affairs, and A.J.A. Roux, Chairman of Ucor.<sup>108</sup> De Klerk, visited the ROC from January 5<sup>th</sup> to 10<sup>th</sup>, 1981. During his sojourn in Taiwan, he visited the ROC's two nuclear power plants (Nuclear Plant I in Chin-shan and Nuclear Plant II in Wan-li) near Taipei, and discussed matters of common interest with his counterpart, K. S. Chang, the ROC Minister of Economic Affairs, and F. S. Chu, Minister of Foreign Affairs, respectively. The bilateral discussions were mainly focussed on energy co-operation and the RSA's export of minerals to the ROC. It should be noted that in the ROC, mineral and energy matters including nuclear power plants are the jurisdiction of the Ministry of Economic Affairs (MOEA). Taipower Co., which operates the nuclear power stations, is subordinate to the MOEA.<sup>109</sup>

In addition, De Klerk visited various industries in Taiwan including China Steel Corporation, China Shipbuilding Corporation and Taiwan Aluminium Corporation in Kaohsiung, the largest sea port in the south of Taiwan. Premier Sun and President Chiang Ching-kuo received him. Before his departure, he addressed the ROC industrialists and politicians on the significance of South African minerals and energy resources in the future relationship between the two countries. As a result of his visit, apart from the strengthening of ROC–RSA nuclear energy collaboration, the two governments further agreed to explore and expand the two countries' co-operation in the fields of minerals and energy resources. The following were included:

1. The RSA agreed in principle to supply four million tons of coal per annum to the ROC for 1981-85 and ten millions tons of coal per annum from 1986 to 1996.
2. The two governments had agreed to assess the feasibility of ROC–RSA joint ventures in establishing an aluminium smelter plant, copper refinery and zinc refinery, and increasing silicon production and exploration of other rare metallic minerals.<sup>110</sup>

The above-mentioned commitment to provide the ROC with South African minerals and the previous six-year contract for the procurement of 4000 tons of uranium, signed in 1980 by the ROC and the RSA, confirmed that South Africa had become one of the important suppliers of strategic minerals and energy resources to the ROC. In exchange for South Africa's supply of strategic minerals and energy resources, the ROC was willing to let the RSA utilise the former's relatively advanced manufacturing industry and skilled labour, and provide financing to support the latter's nuclear enrichment industry.

With a view to studying the situation of the ROC's nuclear industry and the potential of nuclear co-operation between the two countries, A.J.A. Roux, Chairman of Ucor, paid a visit to Taipei during April 8<sup>th</sup>-15<sup>th</sup>, 1981. He was well received by S.L. Chien, Chairman of the ROC Atomic Energy Council (AEC). He was deeply impressed by the progress of ROC's nuclear industry and its advanced manufacturing industry as well. Therefore, he was firmly resolved to enhance the bilateral nuclear co-operation between the two countries. As he was the highly respected founder and father of the RSA's nuclear research and development, his favourable response and strong support for the launching of the ROC-RSA nuclear collaboration helped to create an atmosphere conducive to the endeavour. The joint venture was largely due to his recommendation and proposals.<sup>111</sup>

After Roux's return to Pretoria, a Ucor team of the Working Group led by S.W. Liebenberg, the Manager of Precision Manufacture of Ucor, was sent to the ROC Institute of Nuclear Energy Research in Lung-Tang in August 1982 to seek the provision of various components, heavy electrical motors, aluminium or steel flange forging, the adjustable core of the module, valve components and other specified equipment from the ROC for the expansion of Ucor's enrichment plant. A number of ROC industries were visited and most of them were willing to participate in such a challenging programme. The ROC industry was thus involved in the nuclear co-operation programme to supply specified equipment and components as requested by Ucor for its Z-plant extension project.<sup>112</sup>

During the period from 1980-1987, the nuclear co-operation between the ROC and the RSA continued, the related agreement was enforced and the nuclear scientists and engineers of the two countries worked closely together to accomplish the establishment of the Z-plant for uranium enrichment. With the construction of the Z-plant, South Africa had become one of the few countries in the Western World, which had not only the technology of uranium enrichment, but also the uranium resources and enrichment facilities.

The success of the South African nuclear industry was so apparent that in September 1987, the AEC started to deliver its first locally-enriched four uranium fuel elements, which were produced by the pilot plant, to Koeberg nuclear power station. The semi-commercial Z-Enrichment Plant was commissioned in 1988 and began to produce enriched uranium at a rate that could meet the needs of Koeberg nuclear power station. By 1989, the said semi-commercial enrichment plant proved to be functioning well. Notwithstanding the relatively high cost of production as compared with the USA, it successfully manufactured nuclear fuel, which was delivered to ESKOM in 1989 and loaded into the Koeberg No. 2 nuclear reactor in March 1990. According to the evaluation made by J.W.L. de Villiers, South Africa's ability to handle the complete front end of the fuel cycle was "an exceptional achievement."<sup>113</sup>

The remarkable accomplishments were, of course, mainly the result of the long-term strategic planning, strenuous undertaking and unwavering efforts made by the South African government, the AEC (previously the AEB before 1982), Ucor and those South African nuclear scientists and engineers who were associated with the nuclear development programme, in particular A.J.A. Roux, J.W.L. de Villiers and W. L. Grant who had the determination and vision to pursue South Africa's energy self-sufficiency and independent nuclear capability. It was A.J.A. Roux, former President of AEB and Chairman of Ucor, who launched South Africa's nuclear research and development programme in 1959 and it was he who befriended the ROC and initiated the nuclear joint venture of the two countries. The year 1985 witnessed the imminent end of an era

of close ROC–RSA nuclear collaboration when Roux passed away on April 22<sup>nd</sup> of that year.

To be fair, the support and assistance rendered by the ROC to the RSA in the development of South Africa's nuclear industry, to a certain extent, did have some significant consequences. At a time of international sanctions and embargoes against the RSA, it was the ROC that provided necessary equipment and technical assistance to the RSA. At a time of stringency with regard to financial resources, it was the ROC that had shown great understanding of the needs of the RSA and willingness to purchase South Africa's uranium. On the logistic and technological side, the ROC placed its expertise, technology, skilled labour and manufacturing industry at the disposal of the South African nuclear industry. In the course of the construction of the Z-plant, the RSA received a wide range of assistance from the ROC.<sup>114</sup>

At the initial stage of the development, the ROC's assistance comprised a joint investigation into the geological suitability of the site, the selection of the site, the preparation of preliminary plant layout, the plant design, cost estimation, a feasibility study, the assessment of the required components and equipment, the adoption of cascade flow diagrams and piping connections, and the elimination of inefficiency factors of the said plant. In the intermediate stage, the ROC participated in the manufacturing of basic components and equipment, which were required for the construction of the RSA's semi-commercial uranium enrichment plant. As pointed out in the previous paragraphs, the ROC provided some of the electrical and conventional equipment and various components required by Ucor. Usually, the ROC industries manufactured the necessary equipment and components ordered by the RSA for the extension of the Z-plant in accordance with detail specifications and drawings. A number of the ROC industries were involved in the nuclear co-operation programme.<sup>115</sup>

From June 1982 to 1986, the ROC supplied a wide range of items to the RSA including electrical and mechanical equipment, and process gas wetted components. But the process control computer systems and programmable logical controllers which were

imported by the RSA for the development of the South African nuclear industry had nothing to do with the ROC. According to the ROC's official records, it was the Reagan administration that authorised the sale of the Control Data Corporation's Cyber 170/750 Computer to the South African CSIR in 1981. With this computer, the RSA could not only design small nuclear weapons, but also build atomic bombs without the need for a test. The reason the Reagan administration gave its consent to the sale of the American-made computer to the RSA was its desire for a South African settlement on the issue of Namibia.<sup>116</sup> This again indicated that the ROC had no direct link with the RSA's nuclear military weapons' programme. The ROC's co-operation with the RSA was mainly concerned with nuclear energy development, not the making of atomic bombs.

All of the expenses pertaining to the activities of the ROC Working Group and nuclear experts in implementing the nuclear co-operation programme in the RSA were borne by the ROC government. Apart from the project spending, the most important financial contribution made by the ROC to the development of the South African nuclear industry was the financing of the projected expansion of the uranium enrichment plant by way of payments in advance of deliveries of uranium coincident with the construction programme, and loan capital to cover pro rata costs of the add-on plant.<sup>117</sup> The exact amount of the financial advancement and loan is not known. The ROC's financial support had made it possible for the embattled South African uranium industry to proceed with its expansion project. The ROC therefore played a meaningful part in the expansion of the RSA's nuclear enrichment production.

## **5.7 THE TERMINATION OF ROC-RSA NUCLEAR CO-OPERATION**

Although the nuclear collaboration between the ROC and the RSA, as described above, was intended only for the peaceful use of nuclear energy, the USA government was deeply concerned that the so-called "peaceful" nuclear co-operation between the two nations could well be used as a pretext for nuclear weapons production. The enriched

uranium might be converted for making atomic bombs. The ROC and the RSA's development of nuclear weapons would surely not only lead to international nuclear proliferation and regional conflicts, but also complicate the USA's strategic relations with the PRC and black Africa during the Cold War. The ROC government's repeated insistence of "recovering mainland China" and the RSA's refusal to sign the Nuclear Non-proliferation Treaty (NPT) gave the CIA some ground to suspect that the ROC and the RSA banded together, with the assistance of the third partner, Israel, to manufacture "a relatively small-scale tactical nuclear weapon."<sup>118</sup> The discovery of two nuclear test shafts in the Kalahari desert by American and Soviet reconnaissance satellites in August 1977 and the flash detected by an American Vela satellite over the southern Atlantic Ocean in September 1979 had further heightened the USA's suspicion that the ROC and the RSA had worked together to produce nuclear weapons. The CIA believed that the flash was most likely a nuclear explosion.<sup>119</sup>

De Villiers later confirmed in 1993 that the site constructed in the Kalahari Desert was used for the testing of South Africa's nuclear weapons or nuclear explosive devices. According to De Villiers's revelation, the nuclear test site was built for a "cold test" – that is, one without HEU, carried out in order to check the device's non-nuclear components, logistics and instrumentation.<sup>120</sup> The discovery of the nuclear test site in the Kalahari Desert caused vehement international protest. As a result of the international outcry, Pretoria subsequently abandoned the site.<sup>121</sup>

As to the flash over the southern Atlantic Ocean, the true story has not been publicised yet. Was the flash really a nuclear bomb test? Who was responsible? These questions remain to be answered by other scholars who have access to the relevant documents. But one thing is certain: the ROC was not involved with the flash which occurred in September 1979 as the ROC only started to enter into the bilateral nuclear energy co-operation agreement with the RSA in 1980. It was unlikely that one year before the commencement of the ROC–RSA nuclear co-operation agreement, the ROC had helped the RSA to build a nuclear bomb or nuclear explosive device. The test of a nuclear bomb required a sufficient range of bombers capable of carrying the bomb and



transporting relevant sophisticated delivery systems. The ROC had none of these facilities and its participation in the afore-mentioned flash was, geographically, impossible. However, there is a possibility that a third country such as Israel might have collaborated with South Africa in testing nuclear bombs over the southern Atlantic Ocean in 1979. The Israeli–South African military co-operation relationship commenced much earlier than the ROC–RSA co-operative links. The relations between South Africa and Israel reached a peak in April 1976, when the RSA Prime Minister, B. J. Vorster, visited Israel.<sup>122</sup>

As the USA was deeply alarmed by the erection of the nuclear test site in the Kalahari and the subsequent flash over the southern Atlantic Ocean, those countries with nuclear capability or on the threshold of becoming nuclear powers, in particular South Africa and the ROC, were closely watched by the CIA. The CIA was extremely anxious to find out the nature of the ROC–RSA nuclear co-operation despite the strictest secrecy of the operation of the two countries.<sup>123</sup>

In order to uncover the nature of the nuclear collaboration between the ROC and the RSA, the CIA had undertaken a surprising range of actions in an attempt to find out these two countries' nuclear secrets. In the ROC, the wife of the Chief of the Mission of the CIA served as the English language “tutor” of the then ROC President, Chiang Ching-kuo. The ROC's nuclear research and development programme was also kept under constant surveillance. The CIA recruited the ROC's senior nuclear scientists and high-ranking officials as its secret agents and planted them in the senior hierarchy of the ROC nuclear research institutes such as Chungshan Institute of Science and Technology (CIST) since the 1960s. The CIA even tried to bribe certain senior officials to spy on all the activities of the ROC government.<sup>124</sup> In December 1987, Colonel Chang Hsien-yi, a CIA spy infiltrated the CIST, got hold of the confidential nuclear research files and escaped to the USA. The secret of the ROC's nuclear development programme and the country's nuclear links with the RSA were exposed.<sup>125</sup>

In the wake of the exposure of the ROC's nuclear research and development programme, tremendous political pressure was imposed upon the ROC to terminate its nuclear co-operation with the RSA and its nuclear links with other European countries, such as France. The USA demanded that the ROC shut down the nuclear programme or face a cut-off of American assistance, including the sale of nuclear technology for the ROC's nuclear power plants. The USA strictly regulated the provision of nuclear fuel-elements and enriched uranium for the ROC nuclear power stations. All of the used highly enriched uranium had to be returned to the USA after it had cooled down. Even more importantly, the USA threatened to withdraw support from the ROC if it persisted in contributing towards nuclear proliferation. Following the American intervention, the CIST reactor was sealed by the USA and the research facilities rigorously checked from time to time. The USA undertook the supply of enriched uranium to the ROC at a USA-government subsidised price which was comparatively cheaper than that of South Africa's enriched uranium. Under such difficult circumstances, it was almost impossible for the ROC to continue its nuclear collaboration with the RSA.<sup>126</sup> Therefore, the ROC's source of enriched uranium was virtually narrowed to the USA, and the programme was curtailed thereafter. The American intervention had led the ROC government to gradually disengage itself from the nuclear co-operation with the RSA after 1988.<sup>127</sup>

Although the CIA could not penetrate and detect the real nature of Pretoria's nuclear development, the South African enthusiasm for ROC–RSA nuclear co-operation also gradually dissipated after the death of Roux in 1985. The Z-plant was completed at the end of 1986. The enrichment process launched by Ucor was a success. In the eyes of the South African authorities, the success was mainly the RSA's own achievement.<sup>128</sup> The ROC, with its small-scale economy and acute international isolation, was not that important. As the era of P. W. Botha was drawing to a close, ROC–RSA nuclear ties were shifting.

The advent of F.W. de Klerk's presidency in September 1989 heralded the end of ROC–RSA nuclear co-operation. After his assumption of office, the world witnessed the collapse of the Soviet Union, the independence of Namibia and, following the

withdrawal of 50,000 Cuban soldiers, the establishment of relative peace in the Southern African region. The RSA government realised that the nuclear deterrent was no longer necessary. In fact, signing the NPT would be advantageous to South Africa, especially in the development of relations with other African countries. The problems the RSA faced were of a political, not military nature, and nuclear weapons and an ambiguous strategy by no means provided the solution. Therefore, in November 1989, De Klerk approved the recommendation made by an Expert Committee to terminate the RSA's nuclear programme, and the decision was also made to dismantle the six nuclear devices which had been fully assembled.<sup>129</sup> The nuclear co-operation between the ROC and the RSA thus came to an end. A new era of political reform and transition dawned in the RSA as from the beginning of 1990.

## **5.8 SUMMARY**

The nuclear energy co-operation programme between the ROC and the RSA commenced in March 1980 and came to a close in 1989. The ROC's main objective was to ensure and diversify its sources of supply of nuclear fuel for the needs of its three nuclear power stations.<sup>130</sup> For the RSA, the aim of the co-operation was primarily to seek the ROC's support in the supply of mechanical components and equipment, financing for the procurement of uranium through advance payments, the exchange of technology and visits, as well as the provision of logistic/technical assistance for the construction of a commercial uranium enrichment plant at Pelindaba.<sup>131</sup>

The nuclear co-operation was not concerned with the military weapons' programme. South Africa did not need the ROC's assistance in the development of nuclear weapons due to the fact that long before the commencement of ROC–RSA nuclear co-operation, the RSA had already built a nuclear test site in the Kalahari Desert in 1977 and developed its first atomic bomb in 1979, one year prior to the start of the ROC–RSA nuclear relationship.<sup>132</sup>

Although the co-operation was commercial and logistical in nature, the ROC played a significant role in the establishment and expansion of the RSA's nuclear enrichment production. With the ROC's support, the RSA's nuclear research base and enrichment foundation had been firmly established. The RSA completed the construction of the semi-commercial uranium enrichment plant (code-named the Z-plant) at the end of 1986, and the plant became operational in 1988. South Africa had become one of the few countries in the Western World, which not only has abundant uranium resources, but also its own enrichment plant to meet the need of Koeberg nuclear power plant. This was a remarkable achievement.

The journey of the ROC–RSA nuclear joint venture, however, did not last long. The high tide period was from 1980 to 1985 while Roux was still alive. From the year 1985, the co-operation lost its momentum. In 1987, the CIA exposed the ROC's nuclear programme. Under USA pressure and intervention, the interactions of the ROC–RSA nuclear co-operation dissipated as from 1988. The nuclear links were officially terminated towards the end of 1989 when De Klerk came to power and embarked on the road of political reform to normalise the RSA's international relations.

Although the ROC did not go nuclear overtly and the ROC–RSA nuclear co-operation was not geared towards the production of nuclear weapons, the USA was concerned that the ROC's nuclear programme, if not carefully supervised, posed a risk of nuclear proliferation and could cause open war between the PRC and the ROC. In spite of the fact that the ROC's nuclear fuel-cycle programme was aimed at the generation of electrical power, the ROC scientists, however, were able to extract weapons-grade plutonium from the nuclear fuel. The USA feared that the ROC would provoke a military confrontation with the PRC.<sup>133</sup>

In essence, the ROC's nuclear co-operation with the RSA was part of its "survival strategies" during the most difficult times of the 1980s when its main patron, the USA, was preoccupied with the Soviet threat and strengthening USA–PRC strategic co-operation.<sup>134</sup> There were dual purposes for the ROC's nuclear co-operation with the

RSA . The ROC's main objective – the development of nuclear energy for the peaceful use of its expanding industry – has already been analysed.<sup>135</sup> Besides this objective, the ROC wanted nuclear capability, which would be used as a deterrent. It is believed that “this [was] a purposeful effort to create speculation concerning Taiwan's potential as a nuclear power.”<sup>136</sup> The ROC saw its progress in the nuclear programme and potential to build atomic bombs as “a means to counter a military threat from the mainland.”<sup>137</sup> It seems that the ROC tried to quietly move closer to the nuclear threshold through the ROC–RSA nuclear co-operation programme. By doing so, it was apparent that, as the USA's commitment to the ROC was vague, its nuclear potential and its purposeful strategy of keeping its nuclear intentions ambiguous were intended to make the PRC leaders think twice should they attempt to invade the island.<sup>138</sup> If the USA had not intervened in 1987 to stop the ROC's nuclear research programme, the joint achievements of the RSA's nuclear technology and its enriched uranium, together with the ROC's entrepreneurship, capital and organisational skills could have enabled both the ROC and the RSA to become countries in possession of nuclear weapons. To confirm this, near the end of 1987, the CIA's secret agent eventually found out that as from 1974, Taiwanese scientists, most of them educated in the USA, were preparing to extract weapons-grade plutonium from the nuclear fuel of a research reactor supplied by Canada.<sup>139</sup> They were also busy “working on the design of a ballistic missile that could deliver a warhead against mainland [the PRC's] targets.”<sup>141</sup> It was only after the USA demanded that Taiwan “shut down the nuclear programme or face a cut-off of American assistance, including sales of nuclear technology for Taiwan's electric power industry” that the nuclear programme was curtailed.<sup>141</sup> However, the ROC's research base and the team of nuclear physicists still exist.<sup>142</sup>

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### CHAPTER V

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## **CHAPTER VI**

### **MILITARY AND OTHER ASPECTS OF ROC–RSA RELATIONS: 1976–1997**

#### **6.1 INTRODUCTION**

Apart from political-diplomatic, economic and nuclear co-operation, there were military and other important aspects in ROC–RSA bilateral relations which had been developed prior to the severance of the diplomatic ties in January 1998. This chapter considers the relationships in the military, academic, sport and socio-cultural spheres during the period from 1976 to 1997. In particular, specific attention will be paid to the military co-operation between the two countries. It will explore the ROC's past military agreements with South Africa, including the implementation, results, constraints and limits thereof. As to the academic, sport and socio-cultural dimensions, efforts are also made in the chapter to provide insight into the origins and subsequent developments of the relevant links for the duration of the two decades.

#### **6.2 MILITARY CO-OPERATION BETWEEN THE ROC AND THE RSA**

Military links between the ROC and the RSA were established as from 1977 when the two countries exchanged military attachés. But the official military co-operation between Taipei and Pretoria began only on March 11<sup>th</sup>, 1980 when the then Prime Minister of South Africa, P.W. Botha, signed a secret Agreement on the Co-operation of the Defence Industries between the government of the RSA and the government of the ROC with the then Premier of the ROC, Yun-suan Sun, in Cape Town.<sup>1</sup>

Both the ROC and the RSA were isolated in the military domain, and both countries faced severe security threats. The ROC was and still is under constant threat from its arch-enemy, the PRC, although its military equipment supply from the USA, and its international economic links remained largely unaffected by its external diplomatic

isolation. Nevertheless, the ROC was and is denied access to other foreign sources of military hardware, know-how, training, aid and co-operation. By 1975, the superiority of the ROC Air Force over the PLA of the Chinese Communists was eroding as the ROC's main all-weather operational fighter planes, the American Lockheed F-104, designed in 1950, were ageing and becoming increasingly obsolescent. The F-5Es assembled in Taiwan lacked all-weather capability. The ROC Navy faced a similar situation.<sup>2</sup> Therefore, the ROC military eagerly sought superior technology and more advanced weaponry, especially radar-guided air-to-air, air-to-ship and ship-to-ship missiles, with greater range. In response to the PRC's military threats, the ROC has sought to develop its own strong national defence capabilities. The primary objective of the ROC's defence policy is to defend Taiwan, the Pescadores, Kinmen, and Matsu. As Taiwan is an island, to deter the possible invasion of the PRC from the sea and air, naval and air supremacy is a priority of its military defence strategy. The need for the ROC to maintain a strong military force numbering approximately 400,000 was clearly expounded by the then ROC President Lee Teng-hui in his speech addressed to the newly-promoted generals of the ROC armed forces on December 30<sup>th</sup>, 1994:

Although we have already unilaterally abrogated the Temporary Provisions of the Mobilization and Suppression of Communist Rebellion, and our policy is no longer aimed at reconquering mainland China or using military force to solve the issue of national unification, the PRC never renounces the use of military force against us. Moreover, the PRC is continuously isolating and bullying us. Under these circumstances, we have no other choice but to develop our own military armament, strengthen our national defence and upgrade our fighting power, so as to ensure that we have no fear of the PRC's military threats, and that we can initiate and conduct the normal development of the cross-Straits relations.<sup>3</sup>

The normalisation of relations between Washington and Beijing in 1979 was another serious blow to the ROC's national security. As a result of the severance of USA–ROC diplomatic ties, the cornerstone of the ROC national security, namely the 1954 USA–

ROC Mutual Defense Treaty, was abrogated as from January 1<sup>st</sup>, 1980. Although the USA Congress enacted the Taiwan Relations Act (TRA) in March 1979 to substitute the 1954 defence pact and to regulate the USA's substantive relations with the ROC, the ROC government was deeply alarmed by the change of American policy and the termination of the USA–ROC alliance in favour of recognition of the PRC for a rearrangement of the international balance of power. Although the TRA authorised the USA government to provide the ROC with such defence articles and defence services as was necessary to enable the ROC to maintain a sufficient self-defence capability, the PRC pressured the USA government to impose quantitative and qualitative restrictions on arm sales to the ROC as from August 17<sup>th</sup>, 1982. The ROC was also denied access to the more advanced military products. The American arms supplies were based mainly on the USA's political considerations and national interests. The ROC's arms procurement requests for upgraded F-5 fighters and the Harpoon ship-to-ship missiles were both rejected by the Carter administration on the grounds that the requested arms sales would be too provocative to Beijing.<sup>4</sup> Under these circumstances, the ROC leadership felt that although the ROC government would continue to lobby the American government and congress to sell defensive arms to the ROC, there was a need to seek other sources of military technology to safeguard its national security. To this end, South Africa, with its fairly advanced arms industry, defence research projects and its manufacture of various armaments developed by the Armaments Corporation of South Africa (Armcor) was considered a useful partner to upgrade the ROC's military equipment, armaments, tests and training.<sup>5</sup>

To cope with the unreliability of its major arms supplier, the ROC was in quest of the production of high performance weapons and alternative sources of arms supply and military training so as to strengthen its national defence, especially to maintain sufficient naval and air superiority to counter the threat posed by the Communists. It was for these reasons that the ROC began its military co-operation with South Africa in 1980. Yet the ROC's major security guarantor and arms supplier was still the USA from where they obtained weapon systems and military technology. In fact, with the American

connection, in particular the TRA, the ROC was militarily far less isolated than South Africa from the 1960s to the 1980s.

By contrast, South Africa was relatively more isolated than the ROC during the same period. Before 1960, Britain was South Africa's main arms supplier. After the 1960 Sharpeville killings and subsequent harsh repressions elsewhere, however, the British government was reluctant to provide arms to South Africa. In August 1963, the Kennedy administration announced that the USA government would start to impose a selective arms embargo on South Africa as from the end of 1963. The arms embargoes imposed by the USA and the UK were shaped in the Cold War environment primarily as a symbolic gesture of opposition to South Africa's apartheid policies in response to the increasing international outcry against Pretoria's internal policies. In the same year, the UN Security Council for the first time called on all states to voluntarily observe an arms ban against South Africa. France and Italy, however, ignored the UN's voluntary arms embargo and emerged to substitute the UK and the USA as the two major arms suppliers to South Africa during 1963–1977.<sup>6</sup> Many other countries including Israel, Belgium, Canada, Jordan, India and Spain also sold arms to South Africa during the 1970s.<sup>7</sup> Israel and the ROC were often singled out as having close military co-operations with South Africa. Israel reportedly sold South Africa six long-range gunboats equipped with guided Israeli-Gabriel missiles, Uzi submachine guns, counter-insurgency equipment, and improved tank armour.<sup>8</sup>

However, in November 1977, the UN Security Council imposed a mandatory arms embargo on South Africa. UN member states were obligated to collectively implement the Security Council's mandatory arms embargo against South Africa in compliance with this resolution. However, it was reported that several communist countries, including Bulgaria and Communist China, continued to flout this arms ban, and that South Africa had secret arms dealings with the PRC even at the height of sanctions and the UN arms embargoes during the late 1980s and early 1990s.<sup>9</sup> This arms embargo remained in effect until the dawn of the new democratic South Africa in July 1991.

The UN's mandatory arms ban was an impediment to South Africa. From 1978 onwards, most of the major Western powers and other member states of the UN refrained from selling weapons to South Africa and military assistance was also suspended. Even Israel announced its commitment to abide by the Security Council's mandatory arms embargo on South Africa.<sup>10</sup> Although covert Israeli arms dealings with South Africa continued until 1987, when the USA put pressure on Israel to end its clandestine sales to Pretoria,<sup>11</sup> overt Israeli military co-operation was gradually drawing to a close by the year 1980.<sup>12</sup>

In the face of the gradual enforcement of the international arms embargo on South Africa, Pretoria was determined, on the one hand, to develop its own arms industry as from 1964, and on the other hand, turned to the ROC for military collaboration as from 1980. The ensuing military co-operation between the ROC and the RSA came about mainly due to four motivations.

Firstly, South Africa perceived the ROC as being in a relatively advantageous position because she still retained the USA as her de facto military backer and she was a wealthy country which needed to import an enormous quantity of armaments for her self-defence. Therefore, the South African government hoped that through the mutual military co-operation, Pretoria would be able to obtain components, spare parts, technology and know-how of the more advanced American arms system from the ROC to enhance its own arms industry. As the ROC was not a member of the UN after 1971, she was not legally bound to observe the UN arms embargo on South Africa.<sup>13</sup>

Secondly, the South African arms industry had achieved remarkable progress in self-sufficiency and had grown to become one of the world's top arms exporters by the 1980s. The ROC was therefore considered an ideal market for the products of the Armaments Corporation of South Africa (Armcor) and its ten subsidiaries. However, from 1984 to 1995, the total value of Armcor's arms export to the ROC was merely NT\$2 billion dollars which is equivalent to R465 million. The ROC only accorded 1.5 per cent of its defence budget to South Africa. Armcor was deeply disappointed by the

discrepancy between the reality and the originally perceived potentiality of the ROC market. From Pretoria's perspective, the ROC's arms procurement, mainly ammunition, from Armscor was insignificant. The disillusion eventually led to the winding down of the ROC–RSA military co-operation.<sup>14</sup>

Thirdly, to counter the Communist expansion in southern Africa, the ROC assisted the RSA in setting up a monitoring station in a Pretoria suburb as from 1980 to decipher the Chinese Communist broadcasts, radio announcements, electronic transmissions and intelligence communications, and to gather information on the broadcasts from Moscow in the Chinese language as well. The exchange of intelligence and the monitoring of Communist activities in South Africa were important facets of the military co-operation between the ROC and the RSA.

Last but not least, the ROC–RSA military co-operation was underpinned by the two countries' common anti-communist stance and common desire to safeguard their survival in their respective uncertain environments at the time. This was reflected by the remarks made by the then Prime Minister, P.W. Botha, on March 12<sup>th</sup>, 1980 when he welcomed the then ROC Premier Yun-suan Sun to Cape Town during the state banquet. In response to Premier Sun's assertion that the two countries faced a common threat from international communism and, for this simple reason, stood together and co-operated with each other, P.W. Botha stated clearly that, indeed, both countries had not only become the victims of international political expedience, but were also under the threat of aggressive alien communism.<sup>15</sup>

In a similar line, General Magnus Malan, the then Minister of Defence of the RSA, also stressed the need for South Africa to cope with the onslaught of Marxist enemies:

The threat against the principles and values we stand for continues to this day... Today we have a different enemy. But the SACP and its terrorist puppets that we face on our borders and inside South Africa have exactly the same objective as the enemy of the Second World War. That

objective is to destroy our values and what we stand for. They want to overthrow our present dispensation... If we capitulate in the face of this threat, we will wipe out everything that South Africans have worked for through the ages and have fought for in two World Wars.<sup>16</sup>

Therefore, for South Africa, it was the desire to obtain American arms technology through the ROC and to sell South African arms to the ROC, combined with the two countries' common beliefs and mutual need that led her to pursue military co-operation with the ROC. The ROC's military co-operation with South Africa was mainly in the technological field. This involved the development of the defence industries of the two countries, the exchange of information and know-how in respect of military equipment, the procurement of military armaments for the ROC's navy and air force, the reciprocal visits of personnel, and the training of the ROC's military personnel, in particular the ROC's air force pilots and naval officers, in the RSA. Of specific interest to the ROC was the South African Naval training courses for submarine commanding officers and the RSA's experience in flying the mirage fighter jets.<sup>17</sup>

The reason the ROC was so keen on learning warfare tactics and gaining experience from the RSA's navy and air force was the strategic consideration that as an island country, naval and air supremacy were deemed most important for her national defence. The military threat of mainland China was mainly from the PRC's missiles, submarines and air force. The ROC had two submarines during the 1980s and the ROC's air force intended to procure 60 French-made new Mirage fighter jets to augment its combat aircraft wings in addition to its 150 F-16 fighters as from 1993.<sup>18</sup> Since the French-made Mirage fighter jets were the mainstay of the RSA's air force, and the RSA's navy had a Submarine Flotilla consisting of three modernised Daphne-class submarines, with one submarine training school in Simon's Town, and a Strike Craft Flotilla with nine missile-armed strike crafts based in Durban, complemented by a Mine Countermeasurer Flotilla comprising eight River and Ton class minehunters,<sup>19</sup> the relevant training conducted in South Africa would be beneficial to the ROC military towards boosting its fighting capability.



Therefore, for the ROC, the procurement of armaments was not the main motivation. It was the above-mentioned broad strategic considerations of the two countries that had kept the ROC and the RSA on a course of military co-operation for one and a half decades from 1980 to 1995.

In 1980, the ROC and the RSA secretly entered into an Agreement on the Co-operation of the Defence Industries of the two countries. The military co-operation agreement was signed by P.W. Botha and Yun-suan Sun on March 11<sup>th</sup>, 1980 in Cape Town during Sun's official visit to South Africa. Sun was accompanied by the then ROC Chief of General Staff, Admiral Chang-chih Soong, during this visit. The signing of this agreement marked the beginning of ROC–RSA military co-operation. The purpose of the agreement was to “promote and expand all areas of mutual interest in the military field in order to economise man-power, materials, finance and time, thereby facilitating the defence industry development of both parties.”<sup>20</sup>

The ROC–RSA military co-operation covered all areas of military co-operation, and was not limited to the collaborative development of defence industries alone, albeit the agreement was called “Agreement on the Co-operation of the Defence Industries between the ROC and the RSA.” In accordance with Article II of this agreement, the ROC–RSA military co-operation encompassed the following fields:

1. Research, development and exchange of know-how in respect of military/para-military equipment or armaments;
2. Exchange of information in other related fields as may be determined from time to time;
3. Bilateral training and reciprocal visits of personnel; and
4. Reciprocal sale of military/para-military equipment, materials or armaments.<sup>21</sup>

For the collaborative development of their defence industries, it was necessary for the two countries to facilitate bilateral co-ordination. The two governments, therefore, designated two levels of corresponding organisations as the mechanism for implementing co-operation programmes. On the policy-making level, the Ministry of National Defence of the ROC and the Armaments Corporation (Armcor) of the RSA; and on the execution level, the Combined Service Forces of the ROC and the senior management of Armcor of the RSA, while all liaison and correspondence between the two countries was directed to the Senior General Manager (Commercial) of Armcor of the RSA and to the Commander-in-Chief of the Combined Service Forces of the ROC respectively via the respective accredited defence attachés stationed in Pretoria and Taipei.

In order to determine the type of co-operation programmes undertaken and to review their progress, a semi-annual ROC–RSA Defence Industry Co-operation Conference was convened in Pretoria and Taipei alternately. The hosting country sponsored the visiting delegates in all conference-related activities during their sojourn. The delegations of the two countries attending the conference were designated as follows:

1. The ROC Delegation:
  - Vice Chief of the General Staff, Ministry of Defence
  - Deputy Chief of the General Staff for Logistics, Ministry of Defence
  - Deputy Chief of the General Staff for Planning, Ministry of Defence
  - Vice President, Chung Shan Institute of Science and Technology
  - Ad Hoc members as may from time to time be required to facilitate specific projects entered into.
  
2. The RSA Delegation:
  - Chairman of Armcor
  - Executive Vice Chairman of Armcor
  - Nominee of the Chief of the Defence Force
  - Senior General Manager (Commercial) of Armcor

- Ad Hoc members as may from time to time be required to facilitate specific projects entered into.

Along with the said semi-annual ROC–RSA Defence Industry Co-operation Conference, each country also established its own permanent Defence Industry Co-operation Committee to effect the execution of the approved co-operation programmes and to handle any matters of technical, financial or contractual nature which were agreed upon at the Co-operation Conference.<sup>22</sup>

The ROC Ministry of Defence and its armed forces and the South African Defence Force (SADF) generally handled the reciprocal training and exchange of personnel visits programmes. Due to the restriction of Article VII of the said Co-operation Agreement which stipulated that “the co-operation contents shall not be disclosed to a third country without prior consent of the originating country”,<sup>23</sup> the existence of this agreement and its contents were kept secret.

Based on the above-mentioned agreement, the ROC–RSA military co-operation was formally launched from 1980. The first ROC–RSA Defence Industry Co-operation Conference was held in Taipei on May 15<sup>th</sup> 1980, and the second in Pretoria on October 30<sup>th</sup> of the same year. From the third conference (1981) onwards, till the seventh conference (1985), the conference was held alternatively in Taipei and Pretoria each year. However, from 1986 to 1995, the conference took place every nine months instead of yearly. All together, there were eighteen co-operation conferences for the duration of the fifteen years from 1980 to 1995.

In 1995, as a result of its policy shift, the South African government decided to unilaterally put an end to the military co-operation between the ROC and the RSA as from 1996, although the ROC was looking forward to the continuation of co-operation even after South Africa’s establishment of diplomatic relation with the PRC. Therefore, 1995 witnessed the last ROC–RSA Defence Industry Co-operation Conference, which was held in Pretoria in May.<sup>24</sup>

During the fifteen-year time span from 1980 to 1995, the ROC made considerable efforts to expand military co-operation with South Africa in a number of areas. There was, then, a close relationship between the ROC and the RSA. Some significant accomplishments were achieved in Research, Development (R&D) and the exchange of technology programmes. Many co-operation programmes were discussed and implemented over the 15 years with varying degrees of success. The notable successful projects included co-operation in the field of aerodynamics, especially wind tunnel model testing and the obtaining of special software; quality assurance programmes; composite materials; the research and development of smart shell ballistic system design; cellular automata and parallel processing; the development of superalloys and ring laser gyros; the development of RPV engine and airframe technology, sonar technology, underwater acoustics, sea mines, and anti-aircraft air defence systems.<sup>25</sup>

Exchanges of technology were also conducted with regard to the maintenance of Gabriel missiles, target acquisition methods, the development of the air-to-air missile programme and fibre-optic guided missiles. In addition to the technical exchanges, there were many other joint R&D programmes that were implemented by the two countries. These included tank designs, installation of night vision on M41 tanks, plating chromium of 76mm quick gun barrels, millimetre wave radar, infrared ray (IR) countermeasures and simulation technology, third generation image intensifier tubes, 155mm artillery systems, explosive changes, autonomous target acquisition, FT5 rocket systems, 127mm artillery rocket systems, and even submarine attachments and mine countermeasures.<sup>26</sup>

Most of these joint co-operation programmes were handled by Chung Shan Institute of Science and Technology (CSIST) and Armscor. Some were implemented by CSIST and CSIR. The remainder were pursued by the ROC Metal Industries' Research & Development Centre and various organisations of the ROC military, such as the Combined Service Forces (CSF) and the planning and maintenance divisions of the

ROC Armed Forces, as well as subsidiaries of Armscor such as Denel (Somchem), Denel (Naschem), Atlas Aircraft Co., Kentron (Pty) Ltd., Pretoria Metal Pressings (Pty) Ltd., and Eloptro. Eloptro specialised in military electro-optics; Somchem supplied propellants and explosives; and Kentron made guided missiles. It was generally agreed upon by both sides that the ROC–RSA R&D co-operation and exchange of technology were successful from the commencement of the military co-operation in 1980 till its ending in 1995.<sup>27</sup>

Bilateral training and reciprocal visits of personnel, as well as exchanges between the respective defence forces took place on a frequent and alternate basis. As regards bilateral training, the exact total numbers of military personnel who underwent various training courses in the respective defence forces, institutions and universities are not available to date, as military co-operation was shrouded in secrecy. According to the compilation of the ROC Embassy in 1995, 85 military officers from the ROC underwent various training courses in South Africa during 1989-1994; and in the same period, 2,647 military personnel were dispatched by the ROC to pay a short visit to South Africa. Among them, 2,469 were ROC naval officers and cadets.<sup>28</sup>

The ROC Naval Goodwill Squadron visited South Africa twice during the period (1989-1994) – in 1989 and in 1992. The Squadron consisted of two destroyers, one supply vessel and approximately 1300 naval officers and cadets. Before 1989, the ROC had sent the Naval Goodwill Squadron to visit South Africa several times. In July 1985, the ROC dispatched a Naval Task Group of three ships with 1,400 officers and midshipmen to visit South Africa for 15 days. The visit coincided with the South African Navy Week, July 8-13<sup>th</sup>, and the Durban Tattoo. From 1994 until the severance of ROC–RSA diplomatic links in 1998, the ROC twice dispatched the Naval Goodwill Squadron to visit South Africa – in 1996 and in 1997. The ROC Naval Goodwill Squadron visited Cape Town, Simon's Town and Durban during 27<sup>th</sup> May - 8<sup>th</sup> June, 1996. The main purpose of the 1996 visit was to enable the ROC naval officers and cadets to engage in long-distance navigation training with the South African Navy (SAN). The ROC Naval Goodwill Squadron's visit in April 1997 was at the invitation of the SAN in celebration of

its seventy-fifth anniversary. This visit in 1997 marked the last presence of the ROC naval squadron on South African seas in the naval histories of the two countries. If we add the figures of the above-mentioned ROC Naval Goodwill Squadron visits to those from 1980-1988, the total number of ROC military personnel who visited South Africa or attended various training courses in the RSA is estimated at approximately 10,000.<sup>29</sup>

Visits by the ROC military top personnel also took place. Twenty-three senior ROC military delegations with a total of 83 senior officers including generals, admirals and commanding officers were invited by the South African Defence Force to visit the RSA during 1989-1994. Altogether, approximately 203 officers of the ROC military's top personnel visited the RSA during 1980-1997.<sup>30</sup> This included the ROC Chiefs of General Staff, and Commanders-in-Chief of the ROC Army, Navy and Air Force. Most of the ROC Chiefs of General Staff visited South Africa. The Chief of General Staff is the highest commanding general of the ROC military command system and is in charge of military affairs and operational matters.

The ROC–RSA military co-operation was initiated during the term of office of Admiral Chang-chih Soong, the ROC then Chief of General Staff from 1976 to 1981. Admiral Soong accompanied Yun-suan Sun, on his official visit to South Africa in March 1980 and witnessed the signing of the Agreement on the Co-operation of the Defence Industries between the ROC and the RSA on March 11<sup>th</sup> in Cape Town. While he was in South Africa, Admiral Soong met his counterpart General Magnus Malan, the then Chief of Staff of the SADF, and the then Chief of the South African Navy, Vice-Admiral R.A. Edwards, to discuss the framework of ROC–RSA bilateral military co-operation. Admiral Soong visited the South African Army College, Simon's Town Naval Base, Armscor, the SADF military bases and the frontline in South West Africa (Namibia) near the border of Angola to assess the regional military situation.<sup>31</sup>

But the ROC–RSA military co-operation truly flowered under the tenure of Admiral Soong's successor – General Pei-tsun Hau, the longest-serving Chief of General Staff of the ROC (1981-1989). Hau visited South Africa during April 24<sup>th</sup> - May 3<sup>rd</sup>, 1983.

During his visit, Hau met the then Prime Minister, P.W. Botha; the then Minister of Defence, General Magnus Malan; the then Chief of the S.A. Defence Force, General Constand Viljoen; the then Chief of the South African Navy, Vice-Admiral A.P. Putter; and the then Head of Armscor, Commandant Piet Marais. Various discussions were held between the two sides. It was agreed by both that the ROC–RSA military co-operation, in particular the co-operation of defence industries, should be founded on the basis of non-profit seeking and that no subsidy would be provided by either country to the other. It was agreed also that the two countries would play different roles in the joint endeavour and share equally in the development of cost-reduced military equipment and armaments.<sup>32</sup>

South African military personnel visited the ROC frequently during 1980-1995. According to the statistics compiled by the ROC Embassy, 31 high-ranking South African commanding officers and 171 middle-ranking South African military officers visited the ROC during 1989-1994; and 19 South African military officers underwent military training in the ROC.<sup>33</sup> In addition, there were approximately 64 middle-ranking South African military officers and officials who attended the political warfare course at the ROC Fu Hsing Kang College from 1980 to 1996. Each year, the ROC government sponsored 3 to 5 South African trainees to attend the above-mentioned course. The Fu Hsing Kang College (literally means Renaissance Hill College) was established in 1951 in a suburb of Taipei to train political warfare cadres for the ROC armed forces and those of countries friendly to the ROC. The college has 11 departments and a graduate school offering both master's and doctoral degree programmes. The training course focused on the understanding of the doctrine of international communism, various communist parties' political systems and their common tactics including the warfares of ideology, organisation, intelligence, psychology, mobilisation of masses, and strategy. The political warfare course was open to not only the South African military personnel, but also to the South African Police (SAP) and officials from other South African governmental organisations including the State Security Council, Bureau of Information, Department of National Education, Department of Home Affairs and provincial governments. The majority of the South African trainees of the said course were

nominated by the SADF. In 1989, at the height of ROC–RSA military co-operation, the ROC government unilaterally offered to set up a special political warfare class NO. 102 (training duration 6 weeks: from July 8<sup>th</sup> to August 19<sup>th</sup>) to train 25 South African military officers to combat the growing communist threat. However, the SADF was only able to send 2 military officers to attend the said course in 1989 and 5 officers in 1990.<sup>34</sup>

Most of the top South African generals and military commanding officers at the time either visited the ROC or received various medals in recognition of their contributions towards promoting the close military exchanges and co-operation between the ROC and the RSA. As early as 1981, the ROC had presented medals for political warfare to the then South African Minister of Defence, General Magnus Malan; then Chief of the South African Defence Force, General Constand Viljoen; then Chief of the South African Army, Lt-General Jannie Geldenhuys; then Chief of Staff: Operations, Lt-General John Dutton; then Chief of the South African Navy, Admiral Ronnie Edwards; and other top South African officers including Major-General Pieter Hanekom, Major-General Pieter van der Westhuizen and Brigadier George Wassenaar.<sup>35</sup>

Although there was a common ground for the ROC and the RSA to pursue military co-operation, the fundamental divergence of interests between the two countries inhibited the deepening of the military co-operation during 1980-1996 and eventually led to its demise. The divergence of interests was primarily due to four factors. Firstly, the two countries are geographically far apart, and there was no common enemy or common national security threat. Therefore, it was difficult for the ROC and the RSA to form a real military alliance.

Secondly, from a security point of view, the threats to national security for the two countries were different. The ROC is an island country. She faced a serious external military threat from the Chinese Communists – a real menace of seaward and airborne military attack. Therefore, the ROC was, and still is, primarily concerned with her air and sea supremacy, while the army is for defence purposes. By contrast, South Africa is primarily a land power, and thus concerned with her landward defence. South



Africa's national security threats mainly originated from internal civil resistance against political, economic and social inequalities or injustices. The low-level bush war in SWA border areas and southern Angola was not a serious military threat to South Africa. The guerrilla menace of SWAPO and the ANC was limited; even the Cuban forces stationed in Angola at the time dared not launch a head-on attack against the SADF. Furthermore, other neighbouring countries lacked the military capacity to pose a real offensive military threat to South Africa. Under these circumstances, air defence and sea control were not that important for the RSA. The South African Navy is smaller than the Navy of the ROC. South Africa phased out most of the deep-sea patrol vessels, and built small high-speed missile-carrying vessels with limited operational radius. As the then Chief of the South African Navy, Rear-Admiral R.A. Edwards, indicated, the South African Navy was "a small ship fleet."<sup>36</sup>

South Africa developed a wide range of military products for landward defence purpose such as G5 & G6 artillery systems, the Eland-90 armoured cars, Olifant tanks, Ratel-90 vehicles, the 127mm multiple Rocket launcher, the Hotnotsgod mine-detecting vehicle, the Casspir armoured personnel carrier, the Rooivalk attack helicopter, and Cactus surface-to-air missile system. This landward military equipment, however, was not required for the ROC defence establishment. The defence strategy of the ROC was different from that of the RSA. For the ROC military, the war would first be fought in the air and on the sea, not on the ground of the densely populated island. Naval and air supremacy, therefore, were given priority. From the ROC's perspective, the most likely threats from mainland China were and still are a naval blockade, low-level harassment (such as the missile tests) and missile attack. The PRC's deployment of its first generation of intercontinental ballistic missiles (ICBM) and its testing of sea-launched ballistic missiles (SLBM) as from the 1980s raised serious concerns in the ROC.<sup>37</sup> The ROC needed to upgrade its sea and air defences with modern warships, an anti-missile defence system, warning and surveillance equipment, F-16 fighter aircrafts from the USA and the French-built Mirage 2000 fighter planes.<sup>38</sup> None of these armaments were being produced by South Africa.

The divergence of military strategies of the two countries was clearly specified by General Pei-tsun Hau on May 2<sup>nd</sup>, 1983 when he met Commandant Piet Marais during his trip to South Africa. Hau stated:

We are facing similar international situations, and we share a common ground for anti-Communism. But the intensity of military threat to each country is different. At this point in time, South Africa has no credible military threats from the sea and the air; but for the ROC, its major threats are from the air and the sea. Therefore, the priority of the ROC defence policy is to ensure the control of air and sea superiority. For South Africa, the priority of its defence policy is to focus on landward mobile fighting power and its capability of anti-insurgency or anti-guerrilla warfare.<sup>39</sup>

The third factor of divergence was the difference of weapon systems between the two countries. In the 1950s and early 1960s, most of South Africa's weapon systems were of British origin with a mixture of American aircraft; and as from 1967, the French 'DMA' military-industrial system was selected by the South African government as a model for the development of the South African arms industry under the threat of an international arms embargo.<sup>40</sup> By 1972, South Africa's defence industry had made tremendous progress in the production of defence-related ammunition and armaments. On April 26<sup>th</sup>, 1972, the then Minister of Defence, P.W. Botha, announced that South Africa was absolutely self-sufficient in terms of internal demand.<sup>41</sup> Thus, South Africa was no one's military client. On the contrary, in order to recoup the escalating cost of developing new weapons systems and to maintain the technological competence of its defence industry, there was a need for South Africa to pursue arms export.

By comparison, relying on American military and diplomatic support, the ROC has always been one of the faithful military clients of the USA, because it is not allowed to develop its own nuclear forces and arms industry.<sup>42</sup> The ROC's weapons system was and is still a mainly American system, and its defence policy is firmly linked with American security planning in East Asia. All of the American arms sales to the ROC are

controlled by the Office of Munitions Control of the Department of State of the USA. The licensing for the sale of arms, components and military equipment to the ROC strictly forbade her to resell these armaments and components to the RSA. Furthermore, although the ROC was no longer a member of the UN in the 1980s, the ROC had no intention of violating any UN ban on arms exports to South Africa. The main consideration for the ROC military's refusal to sell American military equipment, components or even technology to South Africa was due to the ROC leadership's longstanding guiding principle of its defence policy that any military co-operation with other foreign countries, including Israel, should not affect the continuance of American arms sales to the ROC.<sup>43</sup> It was apparent that the ROC did not want to displease, and so disrupt, its security links with the USA. After all, the military co-operation with South Africa was more peripheral, than vital, to the ROC.

The fourth factor was the difference of perception. The South African government expected the military co-operation not only to accelerate the rapid development of its defence industry through the attainment of sensitive foreign technology and components, but also to enable Armscor to expand its arms sales to the ROC, so as to earn foreign exchange to maintain the competitiveness of the South African defence industry. In contrast, the ROC perceived the bilateral military co-operation as a means to strengthen and safeguard the diplomatic ties between the two countries. In other words, the ROC emphasised the form which served merely as a means to an end, while the RSA emphasised the substance which was expected to bring about real results for its defence industry and big export orders from the ROC.<sup>44</sup>

Due to the above-mentioned divergence of interests and perceptions, with the passage of time, there was growing disillusionment in South Africa, particularly among the leadership of Armscor, with the results of the military co-operation between the RSA and the ROC.<sup>45</sup> As the ROC was dependent on the USA for the supply of its sophisticated military equipment, the ROC had no intention to upset its relatively assured arms-supply source. Besides the acquisition of some ammunition, torpedoes and various electronic and avionic accessories, the ROC was reluctant to purchase

South African arms products such as G5 and G6 artillery systems and Rooivalk attack helicopters. She preferred technology transfers, exchange of visits and training of personnel.

In the face of PRC military threats, the ROC spent massive financial resources on national defence. The ROC's defence budget took up between 50.8 and 66.1 per cent of central government budget during 1970-1987, but has decreased gradually to 24.51% in 1995, and 15.8% in 2000. On an annual average, the ROC's defence spending was approximately 10% of its gross national product (GNP) and over 40% of the national budget during the period of 1970-1989. The percentage of the defence spending of the ROC decreased to approximately 25.3% of its total government budget in 1993 and then to 24.2% in 1994.<sup>46</sup> In the 1993 fiscal year, the ROC total government expenditure was USA\$71.5 billion, and the total national budget increased to USA\$73.5 billion in 1994.<sup>47</sup> In dollar terms, the ROC's defence spending was USA\$18.09 billion in 1993 and USA\$17.79 billion in 1994. Military procurement spending accounted for more than one-quarter of the ROC defence budget.<sup>48</sup> In 1997, the ROC spent USA\$4.49 billion on military procurement. From the above data, it can be seen that the ROC is one of the biggest arms importing countries in the world. But the ROC's acquisition of military equipment and weapons was mainly limited to American arms and French-made frigates and Mirage jet fighters that were sold to the ROC during 1991-1992.<sup>49</sup>

During 1991 and early 1992, Armscor proposed to jointly develop the Rooivalk CSH-2 Combat Support Helicopter with and sell G6/G5 systems to the ROC. However, the ROC indicated that it had no interest in these items, and instead, purchased American helicopters and weapons. The failure of marketing South African arms products to the ROC upset relations between the two countries. The South African government and Armscor were deeply disappointed at the scant amount of arms sales to the ROC throughout 1980-1995. For the six years from 1984 to 1989, the RSA managed to sell a mere R4.9 million worth of ammunition and components to the ROC; and during 1990-1995, the ROC's total military procurement from South Africa was in the region of R140

million, with ammunition being the main item.<sup>50</sup> The ROC increased military purchases from the RSA to try safeguard the shaky diplomatic ties between the two countries. According to Armscor's statistics, the grand total of ROC military acquisitions from South Africa during the period from 1980 to 1995 was R465 million, approximately 1.5% of the ROC's annual defence budget.<sup>51</sup> Consequently, the leadership of Armscor was extremely unhappy about the insignificant arms sales to the ROC and the fact that the ROC's large contracts were not awarded to the RSA. On May 12<sup>th</sup>, 1992, in its memorandum to the then President F.W. de Klerk, Armscor severely criticised ROC–RSA military co-operation by bemoaning that “the RSA is getting only the crumbs from the rich man's table.”<sup>52</sup> One year later, Armscor belittled the significance of the annual ROC–RSA Defence Industry Conference as nothing but “drink drink, talk talk.”<sup>53</sup>

By 1995, both Armscor and the SANDF were determined to terminate ROC–RSA military co-operation and establish diplomatic ties with the PRC. This could be seen from the following presentation made by Armscor's Foreign Procurement Manager, T.G. Shaefer, on May 23<sup>rd</sup>, 1995 at a meeting chaired by Aziz Pahad, Deputy Minister of Foreign Affairs, at the Diplomatic Guest House in Pretoria to review South Africa's relations with the two Chinas:

The ROC–RSA Agreement has petered out to a large extent and co-operation in the technological field has died down to almost zero. Therefore, although there have been some successes in the field of technology, especially in terms of aerodynamics, there has been no substantial involvement in recent years. The armaments bought by the ROC are relatively substantial in a South African context (R465 million), but in relation to the ROC's defence budget, it is insignificant (i.e. about 1.5 per cent was accorded to South Africa). The type of equipment bought was never of a long-term system investment commitment, and ammunition was the main item. In comparison, the PRC has shown considerable interest, and Armscor already has a representative in Beijing.

Armcor has also indicated to the ROC that the six-monthly meetings in terms of the ROC–RSA Agreement, should be winded down gradually.

In contrast, the PRC presents a huge potential, especially in the field of technology. Co-operation is increasing and there have been some exploratory visits. Whereas the ROC declined in the past under the UN embargo to assist Armcor to procure sensitive material, the PRC did not refrain from assisting Armcor. Equipment of about R230 million was sold to the PRC in the past.<sup>54</sup>

It was apparent that Armcor was in favour of a shift in South Africa’s diplomatic policy towards the PRC and the termination of ROC–RSA military co-operation. The representatives of the SANDF, namely Brigadier J.L. de Beer, Brigadier Groenewald and Colonel J.L. Croukamp, also revealed that the SANDF was dissatisfied with the ROC’s failure of arms transfer. They indicated that “the ROC always kept its arms trade with South Africa within the limitations of the UN arms embargo, and would not facilitate access for South Africa to third countries in terms of military technology.”<sup>55</sup>

From the SANDF’s perspective, South Africa received little benefit from the bilateral military co-operation between the RSA and the ROC, and therefore South Africa’s real long-term interests lay with the PRC. The PRC’s international position and influence, and the lack of substance of ROC–RSA military co-operation in the past were cited as main reasons for the SANDF to support the idea of establishing full diplomatic relations with the PRC:

The PRC is very influential in the Security Council. Even the USA is seeking a closer relationship with the PRC although the latter perceives the USA as a potentially major threat. The PRC has strong ties with and influence in Africa. Of specific interest to the SANDF is the modernization programme of the PRC defence force which includes a vast improvement in technological hardware and which presents an important opportunity.

There has been a great deal of “noise” from the ROC, but not much substance. The PRC is a major power, and the potential ties with the PRC look very good.<sup>56</sup>

The “noise” mentioned above was the pledge made by the ROC in 1994 to make a USA\$40 million dollar grant available to the Service Corps of the SANDF for the establishment of a vocational training centre as from 1995 for the training of rationalised servicemen. This project was perceived by the SANDF as an effort made by the ROC to save its diplomatic relation with South Africa. It was alleged that “according to the Department of Defence, the ROC will attempt to foster military co-operation in order to deflect South African interest in the PRC.”<sup>57</sup>

Actually, before the above-mentioned meeting, the South African government had already sent Lt. General Verbeek, the then Chief of Staff in charge of intelligence; Major General Thikare, the then Deputy Chief of Staff (intelligence); and Brigadier J.L. de Beer, the then Director of External Affairs of the SANDF to pay a clandestine visit to mainland China in January 1995. The main aim of this trip was to commence a process of military contact and information exchange with the People’s Liberation Army (PLA) of the PRC. After returning to Pretoria, the delegation recommended that as the RSA had derived very little benefit from its military co-operation with the ROC, the SANDF regarded it of importance to build relations with the biggest military power in East Asia.<sup>58</sup>

One year after the RSA had secretly established military links with the PRC in January 1995, the South African government officially decided to terminate its military co-operation with the ROC and to stop its arms sales to the ROC as from September 1996. The official decision was taken by the Cabinet meeting of the RSA on September 13<sup>th</sup>, 1996 chaired by President Mandela. The passing of the resolution was based on No. 13 Memorandum of September 5<sup>th</sup>, 1996 (File Ref. No. DS 5/1/9B) submitted by the National Conventional Arms Control Committee (NCACC).<sup>59</sup> The Chairperson of NCACC was Kader Asmal, then Minister of Water Affairs and Forestry. The main

consideration that prompted the NCACC to request the South African Cabinet to end its arms sales to the ROC was probably due to the concern that the continued arms sales and military co-operation with the ROC would have a detrimental impact on the future/further expansion of South Africa's political and economic relations with the PRC.<sup>60</sup> Strong reaction could be expected from the PRC as it regarded the sale of arms to the ROC as interference in its own internal affairs.

The last ROC–RSA Defence Industry Co-operation Conference was held in Pretoria (Armcor's office) from May 10<sup>th</sup> to May 12<sup>th</sup>, 1995. This was the 18<sup>th</sup> Conference. From 1995 onwards, the South African government was no longer interested in continuing its military co-operation with the ROC, and by 1996, most of the original arms sales had been terminated, with the exception of a small amount of insensitive ammunition which was sold to the ROC during 1996-1997. Other than that, ROC–RSA military ties have ceased to exist as have the bilateral visits of military personnel and naval squadrons since April 1997.<sup>61</sup>

In sum, the ROC and the RSA secretly entered into an Agreement on the Co-operation of the Defence Industries between the two countries in 1980. The ROC–RSA military co-operation lasted for 16 years from 1980 to 1996 when, in a cabinet meeting held on September 13<sup>th</sup>, 1996, the South African government decided to terminate its military ties with the ROC. The geographically far-flung military co-operation came to an end soon after the ROC naval squadron paid its last visit to South Africa in April 1997. The ending of ROC–RSA military co-operation was timed for the shift in the RSA's China policy.

### **6.3 ACADEMIC, CULTURAL AND SOCIAL LINKS BETWEEN THE ROC AND THE RSA**

This section examines the development of academic, educational and socio-cultural ties between the ROC and the RSA and their respective impacts on the two countries, as well as the limits of the politically motivated socio-cultural relationship.



Prior to the 1970s, the ROC's academic ties with South Africa were insignificant. The two countries have different cultural and educational traditions. The ROC's education system is USA-oriented and most of the ROC university graduates choose the USA as their destination for advanced studies. In 1986, there were 25,660 ROC students enrolled at USA universities and colleges.<sup>62</sup> Other favourite destinations for ROC students to pursue their studies, according to statistics compiled in 1986, were Japan (182), West Germany (103), France (80) and Britain (36).<sup>63</sup> In 1988, over 98,000 students from the ROC went overseas for advanced education, with more than 90% of these students being educated in the USA.<sup>64</sup> As regards foreign students studying in the ROC, these are mostly South Korean and American students. In 1986, among the 3,660 foreign students at ROC institutions of tertiary education, 1,089 came from South Korea, 747 from the USA, 610 from Japan, 367 from Indonesia, 181 from West Germany, 179 from France, 165 from Thailand and 120 from the Philippines.<sup>65</sup> Overseas Chinese students are excluded from the above statistics. Students from these countries choose the ROC because of geographic proximity such as in the case of Japan, South Korea, Indonesia and the Philippines, or because of the existence of co-operative arrangements between the related countries and the ROC. West Germany, France and the USA have entered into various governmental and non-governmental agreements with the ROC to provide scholarships for students from each other's countries.<sup>66</sup>

In comparison with the ROC, the RSA's education system and cultural relations with foreign countries before 1994 were European-oriented. This was particularly evident in the 1970s prior to South Africa's establishment of diplomatic relations with the ROC in 1976. The RSA's Eurocentric disposition in culture during the 1970s is reflected in its cultural agreements, interactions and assignment of cultural attachés in foreign countries. In 1975, eight foreign cultural delegations visited South Africa, and in turn, eight South African cultural delegations went abroad; most of the destinations of the visits of the South African cultural delegations were European countries such as the Netherlands, Belgium and the Federal Republic of Germany. South Africa concluded a

number of cultural agreements, also mainly with European countries or countries with Western culture such as the Netherlands, Belgium, the Federal Republic of Germany and Paraguay. South Africa maintained cultural links mostly with institutions in countries with Western heritage, viz. the academic links between the South African Institute at Amsterdam and the Dutch Cultural History Institute at the University of Pretoria. South Africa assigned its cultural attachés to the respective embassies in accordance with the cultural agreements.<sup>67</sup>

As a result of cultural differences, the lack of interchange and the void of bilateral cultural agreements, very few contacts occurred in the fields of education, culture, science and technology between the ROC and the RSA before 1976.

The year 1976 marked the beginning of increased cultural and academic contact between the ROC and the RSA. In April 1976, the diplomatic representation between South Africa and the ROC was elevated from that of consul-general to ambassador. One of the consequences of the elevation of diplomatic representation was the budding of ROC–RSA cultural and academic interactions. In 1976, the then ROC Deputy Premier, Ching-chung Hsu; the then Deputy Minister of Foreign Affairs, H.K. Yang; and the then Director of the Institute of International Relations of the ROC, Wei-ping Tsai visited the RSA.<sup>68</sup>

Although formal governmental cultural agreements had not been concluded during 1976-1988, the ROC and the RSA governments made a concerted effort to initiate a more than a decade's long process of information interchange and exchanges of visits between the two countries. In the course of twelve years, there was an increased exchange of visits by cabinet ministers, high-ranking educational officials, chancellors, vice chancellors, professors, scholars, educationists and teachers from one country to the other. Artists, actors, journalists, writers, performers, musicians, sports administrators and athletes were also encouraged by the two governments to engage in exchange visits, performances, tours, competitions and social association. Various "study tours" were organised for the academics, scientists and students of the

respective universities, colleges and research institutions. The ROC government regularly sent its official publications such as The Republic of China Yearbook, The Free China Journal and Free China Review to South African universities and libraries at no cost. After 1976, the ROC's Central News Agency stationed a special correspondent in Johannesburg to gather news items on South Africa and sub-Saharan Africa for the mass media in Taipei.<sup>69</sup>

The ROC–RSA socio-cultural contacts took diverse forms. Nevertheless, the exact figures of persons who visited the other country under the relevant academic/educational and socio-cultural exchange programmes are not available. This is due to the fact that many such exchange programmes were conducted in a low profile manner and no press releases were issued. Some visits were concealed for fear that association might be construed as violating the cultural and sports boycotts imposed by the United Nations against South Africa and furthermore, some individual players and visitors simply arranged their own visits with their counterparts without informing the relevant authorities. As a matter of fact, most of the ROC sports persons who visited South Africa were either professional or junior players. They were not members of the ROC National Olympic Teams, which had to observe the regulations of the International Olympic Committee (IOC). The ROC National Olympic Committee affirmed its sports boycott position and refrained from engaging South African teams at the national level so as to avoid becoming embroiled in the international sanctions and being blacklisted by the Special Committee Against Apartheid of the UN.<sup>70</sup>

The evidence of this can be seen from the following two historical events. Firstly, in January 1980, the ROC Badminton Association organised and hosted an International Badminton tournament in Taipei. As this tournament was an international event, many member states of the IOC were invited to send their national badminton teams to participate. In order to abide by the international sports boycott, the ROC Badminton Association, however, denied the South African national badminton team's participation in the event by making the excuse that the submission of the South African team was too late to be included in the tournament. An apology was conveyed to the South

African Badminton Union to avoid hurting the South African side's feelings.<sup>71</sup> Secondly, in UN Special Committee Against Apartheid's report, published on October 25<sup>th</sup>, 1989 and in other related documentation, the ROC was never in violation of the international boycotts against South Africa. These boycotts were constantly monitored by the UN Special Committee. The UN Special Committee Against Apartheid's 1989 Register of Sports Contacts with South Africa contained the names of 3,404 athletes who had violated the international boycotts; among them, USA sportspersons constituted the highest number (868), followed by those of the United Kingdom (770), while those from the ROC did not appear in the UN Registry.<sup>72</sup> This proves the author's point that the ROC's cultural and sports exchanges with South Africa were mainly conducted by university and college students, as well as professional and junior players. Examples of these exchanges include the visits made by orchestra of the University of Pretoria and the orchestra of the University of Port Elizabeth (in 1989), the participation of four ROC female golf players in the 1984 Western Province Women's Championships at Rondebosch, the Free State Youth Symphony Orchestra's 1986 tour to Taipei, the 1986 visit of the University of Pretoria's rugby team to the ROC (led by Naas Botha), the 1984 tour of SA Trim Gym Association, and exchanges of various youth goodwill teams of the two countries. If national Olympic team players wished to visit the respective country, they were usually advised to join the tour in their individual capacities, not as players of national Olympic teams.<sup>73</sup>

Moreover, the two sides also ensured that the diverse cultural and sports exchanges were implemented in the name of different clubs, universities, colleges and civic organisations as ordinary civilian teams, not as the national teams or as government-involved interchange activities. For instance, in October 1983, the National Bowling Operations of South Africa invited the Bowling Association of the ROC to send a 16-strong bowling team to tour South Africa in February 1984. To avoid being registered by the UN Special Committee Against Apartheid and the IOC as violating international boycotts against South Africa, the ROC Ministry of Foreign Affairs advised the ROC Bowling Association to dispatch its team to tour South Africa under the name of "Chu Kuang (Light) Youth Visiting Mission", rather than "the National Bowling Team of the

ROC". The said bowling team toured South Africa from February 16<sup>th</sup> to February 28<sup>th</sup>, 1984 for 12 days without confronting any protest or bad publicity by the press. South Africa was expected to do likewise.<sup>74</sup>

By exercising extreme caution and keeping a low profile, the ROC continued to maintain academic, educational, cultural and sports contacts with South Africa throughout the years 1976 to 1988. During this period, a two-way educational and socio-cultural interchange was actively pursued. The ROC–RSA bilateral exchanges in the fields of academics, education, sports, art, science, medical and socio-cultural relations were largely motivated by the two countries' common situation of international isolation and the desire of the ROC to utilise educational/academic and socio-cultural exchanges to consolidate its diplomatic relations with the RSA.<sup>75</sup> By affirming the importance of these interactions and various types of co-operation, the ROC government was heavily involved in the process of building bridges of understanding between the ROC and the RSA. A number of inter-governmental agreements in regard to academic, medical, scientific and meteorological co-operations were concluded between the ROC government and the RSA government.<sup>76</sup> (For details, please see Table 9).

The conclusion of these agreements and the increased frequency of the exchange of visits between the two countries illustrate that, as from 1979 onwards, there was a prevalent feeling that South Africa should "start broadening its fields and international friendships beyond the traditional ones of Europe and America."<sup>77</sup>

In the midst of general feelings of good faith and gradual warm friendship, the two governments further stepped up the bilateral contacts and the exchange of visits at all levels – from cabinet ministers, speakers of parliaments and university rectors at the high level to the students, artists and reporters at the low level. Of these bilateral interchanges, the most notable visits included at the local government and inter-parliament level, the exchange of visits of the mayors of local governments and the Speakers of the two Parliaments. In 1979, the then Speaker of the House of Assembly of the RSA, J.J. Loots, was invited by the ROC government to pay an official visit to the

ROC from November 6<sup>th</sup> to November 18<sup>th</sup>, 1979. In return, the then President (Speaker) of the ROC Legislative Yuan (Parliament), Wen-ya Nieh, visited South Africa during 10<sup>th</sup>-19<sup>th</sup> June, 1981. The mutual visits of the two Speakers enabled the two parliaments to have some understanding of the real situation of the other country and to become friendlier towards each other, particularly as regards to the awkward status of the Chinese community in South Africa. Loots' visit not only resulted in the gradual improvement of the treatment of the Chinese in South Africa as from 1982 under apartheid policies, but also heralded the beginning of many more such visits by members of parliament from South Africa to the ROC. Reciprocal visits were also made by the members of Parliament of the ROC. In 1985 alone, there were 17 ROC parliamentarians, accompanied by 13 dependants, who visited South Africa. The exchange of visits between the two parliaments was frequent during the 1980s.<sup>78</sup>

In addition to the steady strengthening of the ROC–RSA national parliamentary relationship through exchange of visits, bilateral links between local municipalities of the two countries were also established by the mayors and speakers of city councils. A notable case was the visit of C.P. Chang, the then Speaker of Taipei City Council, to the city of Johannesburg to attend its centennial celebration during August 30<sup>th</sup>-September 6<sup>th</sup>, 1986. Mayors of various cities also called on their counterparts to establish sister-city relationship. A number of mayors of ROC cities and counties such as Kaosiung, Hsinchu, Ilan, Keelung, Nantou, Taipei and Yungho visited South Africa during 1980-1988.<sup>79</sup> In reciprocation, many mayors and city councillors of the local governments of South Africa also visited the ROC during the same period. Of these, the then Mayor of Pretoria, P.R. Smith, visited the ROC in September 1982; the then Mayor of Johannesburg, Danie van Zyl, in October 1982; the then Mayor of Pretoria, S.R. van Jaarsveld, and the then Mayor of Stellenbosch, D.E.W. Schumann, in October 1983; the then Provincial Administrator of the Cape, E. Gene Louw, in October 1982; the then Provincial Administrator of Transvaal, W.A. Cruywagen, in October 1983; other successive mayors of Pretoria and Johannesburg in 1984 and in 1985; G.J. Coetzer, the then Mayor of Queenstown, in September 1987; and J.M. Pretorius, the then Mayor

of Bloemfontein, in October 1987. The then Governor of Taiwan Province, Lee Teng-hui, also visited South Africa in November 1982.<sup>80</sup>

In the academic and educational field, the period 1980-1988 saw an intense desire among leading academics and educationists to explore the possibilities for academic and educational co-operation between the ROC and the RSA. The quest for such collaborations, in particular between the institutions of tertiary education, can be seen from the exchanges of academics and educationists. The ROC's traditional trend of no academic contact with South Africa was reversed, and the ROC became, instead, very keen to develop bilateral academic/educational exchanges with South Africa as from 1980. This is indicated by the frequency of the exchange of visits of high-ranking government officials and academics of various universities and colleges of the two countries to establish either "sister" relationships with their counterparts, or a co-operative mechanism for the exchange of teachers and students and joint research.

To this end, the then Minister of Education of the RSA, P.J. Clase, visited the ROC in July 1980, and the then Director-General of the Department of National Education of the RSA, J.J. van Wyk, visited the ROC in November 1980. Many South African academics visited the ROC during 1980-1988: Daniel Du Plessis, then Vice Chancellor and Principal of the University of the Witwatersrand in October 1980; C. Garbers, the then President of Council for Scientific & Industrial Research (CSIR), in July 1982; F.T. van Wijk, the then Vice Chancellor and Principal of UNISA, in October 1982; D.M. Joubert, the then Vice Chancellor and Principal of the University of Pretoria, in March 1983; M. de Vries, the then Vice Chancellor and Principal of the University of Stellenbosch in October 1983; T. Van der Walt, the then Vice Chancellor and Principal of Potchefstroom University, in October 1984; Jacob van der Westhuizen, then Director of the Institute for Criminology of UNISA, in December 1987; the Student Representative Delegation of the University of Pretoria in June 1988; R.E. van der Ross, the then Rector and Vice Chancellor of the University of the Western Cape, in June 1988; W.L. Mouton, the then Rector of the University of the Orange Free State, in October 1988; and R.W. Charlton, the then Vice Chancellor and Principal of the University of the Witwatersrand, in

November 1988.<sup>81</sup> Apart from the above bilateral visits of academics of the ROC and the RSA, the Ministers of Education of the two countries also exchanged visits. The then Minister of National Education of the RSA, F.W. de Klerk, visited Taipei in October 1985, and the ROC's then Minister of Education, Lee Huan, visited South Africa in May 1987.<sup>82</sup>

During the period 1987-1990, the ROC–RSA interchange of academic/educational activities was heightened by the two sides. In the year of 1987, the University of Stellenbosch alone sent three delegations to visit the ROC: one was led by P.R. de Wet, the then Director of Student Affairs in March 1987; the second was the 23-person SRC Delegation of the University of Stellenbosch led by De Vries from March 25<sup>th</sup> to April 4<sup>th</sup>, 1987; and the third was led by S.J.P. (Faan) Oosthuizen, the then Head of Central Media Centre and Deputy Director of the Bureau for University and Continuing Education of the University of Stellenbosch, from November 17<sup>th</sup> to December 4<sup>th</sup>, 1987.<sup>83</sup>

The acceleration of ROC–RSA academic/educational and cultural interactions during 1987-1990 was attributable to two factors. One was South Africa's worsening international pariah status after 1986. The other was the renewed action on the part of the ROC government to reinvigorate the ROC–RSA academic/educational and cultural co-operations so as to strengthen its diplomatic links with South Africa. On June 19<sup>th</sup>, 1989, the ROC government and the RSA government signed a cultural agreement in Pretoria for accelerated co-operations in the fields of cultural, intellectual, artistic, scientific, sports, educational and technical activities. According to Article 3 of this agreement, "the citizens of both countries shall be encouraged to study and attend training courses in the other country, and to support the exchange of youth groups, sports teams, individuals, scholarships and scientific experience with a view to promoting cultural co-operation and contact between the two countries."<sup>84</sup>

In order to facilitate the bilateral educational/academic and cultural co-operation, the Ministry of Education (MOE) of the ROC established an Office of the Cultural Counsellor



in Pretoria in July 1990. The first Cultural Counsellor was Edward Chien-kun Yeh, who was succeeded by Dar-sheng Liu in 1994. With the bilateral cultural agreement and the ROC Office of the Cultural Counsellor in place, the ROC–RSA institution-to-institution exchange programmes were further expanded after 1990. Many prominent academics from various South African universities such as the Universities of Pretoria, Medunsa, Vista, Witwatersrand, Fort Hare, Western Cape and UNISA as well as the Peninsula Technikon had been invited to visit the ROC. Many prominent academics and educationists visited the ROC during 1990-1996. Of these, Franklin Sonn, the then Rector of the Peninsula Technikon, established contacts with the ROC's technical institutions in 1993. S. Bengu, prior to his inauguration as the first black Minister of Education in the government of National Unity (GNU) of South Africa on May 10<sup>th</sup>, 1994, visited the ROC while he was the Rector of Fort Hare University. A number of high-ranking officials and educationists from the Department of Education and Culture, the Certification Council for Technikon Education, the Transvaal Education Department and other educational institutions in South Africa were also invited to visit the ROC during 1990-1996.

A great number of reciprocal visits was made by the ROC academics and educationists to the RSA during this period. Among these visits, noteworthy ones included those of the ROC Deputy Minister of Education and three members of the Vocational and Technical Education Visiting Delegation who were invited by the South African Department of Education and Culture to visit the RSA during 1990-1991. The Director of the ROC National History Museum and many Taiwanese civil engineers and scholars came to South Africa to test the feasibility of academic/educational co-operation.<sup>85</sup>

In the social-cultural dimension, a similar phenomenon of frequent interchanges between the ROC and the RSA occurred during the years 1980 until 1996. This period saw the two governments, in particular the ROC government, as indicated in the preceding part of this chapter, trying hard to bridge the cleavage between the two fundamentally different societies, so as to sustain the faltering diplomatic relations between Taipei and Pretoria. The ROC government exerted itself to strengthen the

ROC–RSA academic/educational and social-cultural links by allocating financial resources for the sending of various local-governmental, educational and cultural groups to visit South Africa. The ROC government's primary aim in implementing ROC–RSA academic/educational and social-cultural co-operations was largely based on its diplomatic need and, to a lesser extent, the demands of overseas Chinese communities. The plans were mostly short-term and no real long-term plan ever existed. The ROC's state intervention was, for example, reflected in the allocation of ROC governmental funds for sending cultural and music troupes to South Africa. When the ROC was maintaining diplomatic relations with the RSA, the ROC government would budget approximately NT\$10 million (equivalent to R2 million) to send youth goodwill teams to visit South Africa to stage or to attend the International Eisteddfod at Roodepoort. Other socio-cultural exchanges between the two countries were carried out in a similar manner. Most of the ROC–RSA interchange activities were government-sponsored or funded by the ROC public money of various institutions. Private individuals seldom took the initiative to engage in the strengthening of the ROC–RSA socio-cultural links, with the exception of a few students who pursued their studies in each others' countries.

As a result of the ROC government's active intervention, financial support and fervent encouragement, 16 ROC cultural groups came to South Africa either to stage cultural performances or to conduct arts exhibitions during 1990-1997. In addition, 12 ROC sport teams participated in a variety of sport events during this period. The ROC National Museum of History entered into a sister relation agreement with the Museum of Culture and History in Cape Town. Approximately 87 ROC students per year studied either short-term language courses or regular courses at South African universities or colleges.<sup>86</sup>

Moreover, from 1993 to 1996, the ROC government provided youth scholarships, through the ANC Youth League, to 230 disadvantaged black students to study in various South African tertiary educational institutions including universities, colleges and technikons. In 1994, the amount for scholarships granted by the Office of the Cultural

Counsellor of the ROC Embassy in Pretoria was R232,644, and in 1995, the figure increased to R274,365. Approximately 55 black students benefited from the youth scholarship scheme each year. The total amount for scholarships spent during 1993-1996 was R1,180,094.<sup>87</sup>

In addition, the ROC government handed over an educational grant of R25 million in mid-July 1996 to the South African government for the betterment of South Africa's overall education.<sup>88</sup> Special scholarships were also offered to seven South African postgraduate students to study Mandarin Chinese language in Taipei for one to two years. Among these, five students were from the University of the Witwatersrand and two from the University of Durban-Westville. Most of the students intended to pursue advanced studies on East Asia. The ROC government's special scholarship thus enabled them to have not only Mandarin training, but also personal exposure to East Asia which was helpful to their future research and career development.<sup>89</sup>

The ROC–RSA academic/educational and socio/cultural links during 1976-1997 left a legacy of positive achievements, but also limitations. On the achievement side, the ROC–RSA academic/educational exchanges resulted in the establishment of more than eleven sister relations between South African universities and their ROC counterparts.<sup>90</sup> (For details, see Table 10). Through the establishment of sister relations, inter-institutional exchange programmes were organised to advance mutual co-operation and to share research expertise.

In addition to these sister relationships, various South African universities also set up several East Asia research projects. The University of South Africa (UNISA) established its Centre for Contemporary Asian Studies in February 1989, and from 1990 onwards, Mandarin Chinese was offered by the Centre as a UNISA distance teaching course. The Centre not only promoted research on East Asia, but also provided a series of audio visual programmes, video tapes and slide shows for interested persons, businessmen, diplomats and government officials on a variety of subjects including Chinese dance, music, painting and literature, as well as lectures on Asian business

opportunities, management methods and general economic affairs. The Centre's language course focused on giving a firm grounding in conversational Mandarin and a basic grasp of Chinese characters. The course was suitable for beginners who wished to have some understanding of the culture and civilisation of China and its neighbouring countries.<sup>91</sup>

The University of Stellenbosch and the University of the Witwatersrand undertook most of the research on East Asian politics and economics. The Department of Political Science of the University of Stellenbosch, under the leadership of Philip Nel, received USA\$100,000 from the Chiang Ching-kuo Foundation to launch a research project of Chinese Studies for the duration of three years from 1996 to 1999.<sup>92</sup> Under the auspices of this research project, scholars such as Ian Taylor, a doctoral candidate in the Department of Political Science, University of Stellenbosch, were able to publish articles relating to the PRC's foreign policy and East Asian situation in various journals e.g. Journal of Commonwealth & Comparative Politics (London) and Issues & Studies (Taipei).<sup>93</sup> Arrangements were also made for several academics from Taiwan, ROC including Yeong-kuang Ger of the National Taiwan University, to visit South Africa in 1996.

The Department of International Relations of the University of the Witwatersrand established the East Asia Project (EAP) in 1992 with funding to promote a greater awareness and understanding of East Asia. The aim of the EAP was, through "its teaching and research programme", to "educate South Africans as to the complexities of the Asian political, economic and social environment and, concurrently, develop local capacity and knowledge in all aspects of the study of the International Relations of Asia."<sup>94</sup> The EAP was funded by private donations, and thus maintained its political and administrative independence.<sup>95</sup> Chris Alden and Garth Shelton were responsible for the co-ordination of the research programme. The EAP publishes its own Working Paper Series, in which a number of research reports on topics relevant to East Asia have appeared.

The above-mentioned ROC–RSA academic/educational sister relations and research projects established by the various South African universities not only promoted research and studies on East Asia, but also aroused a few scholars' interest in the field of Asian studies. It was through these scholars' articles or academic works that the South African scholastic community was able to have a better understanding of the situation in East Asia.

As regards inter-relations between cities and provinces, by the end of October 1990, eight ROC cities had established sisterhood ties with their counterparts in South Africa.<sup>96</sup> The list of ROC cities that twinned with the relevant cities of South Africa during 1980-1997 is shown as Table 11.

Apart from the existence of sisterhood ties between various cities in the ROC and in the RSA, a Sister-Province Agreement was also entered into by the then Governor of the Taiwan Provincial government, Lien Chan, and the then Administrator of Transvaal Province, D.J. Hough.<sup>97</sup> The signing of the above sister-city agreements and sister-province agreement opened the doors for local government officials to visit the respective countries in the name of sisterhood ties. The exchange of visits between the officials of the local governments of the two countries enhanced the officials' mutual understanding of the culture and situation of the other country.

Despite the language barrier and cultural differences, there was a mood of genuine goodwill between the two countries in the people-to-people dimension during 1976-1997. South Africa had really won the ROC nation's heart. The RSA was considered the largest diplomatic ally and most important trading partner in Africa. The ROC government devoted much of its attention to South Africa, and even the opposition party, namely the Democratic Progressive Party (DPP), was deeply impressed by the miracle of South Africa's peaceful democratic transformation.<sup>98</sup> When the ROC government lavished massive diplomatic expenditure on maintaining its diplomatic links with South Africa, the ROC people were behind the government.

The ROC's second Armed Forces Attaché in Pretoria, Colonel Tang Fei, and its former Economic Counsellor, P.K. Chiang, voluntarily formed a "Protea Club" in Taipei in 1982, when they returned from South Africa to the ROC, to organise annual get-together functions for those who had been to South Africa for work or studies and also to promote friendly relations with South Africa. The "Protea Club" has more than five hundred members at present, some of whom have played prominent roles in the ROC political and military arenas. For example, Colonel Tang Fei later became General Tang, and held the positions of Commander-in-Chief of the ROC Air Forces, Minister of Defence, as well as Premier (Prime Minister) (May–October 2000).<sup>99</sup> P.K. Chiang was successively promoted to the Director-General of the ROC Board of Foreign Trade, Vice Minister of Economic Affairs, Minister of Economic Affairs and Minister (Chairman) for Economic Planning and Development. Among the members of the "Protea Club", there were 3 generals (including General Tang), 6 ministers or minister-rank officials, 3 vice ministers, 10 ambassadors or ambassador-rank representatives (the ROC's unofficial ambassadors in non-diplomatic countries), five consul-generals and several distinguished scholars. The potential influence of the members of the "Protea Club" can not be underestimated. This corps d'élite of the ROC was far more sympathetic to the idea of maintaining strong links with South Africa. The legacy of historical friendship and human goodwill hidden in various invisible corners of the ROC society was the most important achievement of the ROC–RSA diplomatic links for the past two decades. If the South African government could tap this human goodwill in time, the prospect of maintaining cordial relations between the RSA and the ROC remains optimistic.<sup>100</sup>

However, following the presidential election of March 18<sup>th</sup>, 2000 which brought an end to the fifty-year rule of Kuomintang (KMT) and saw the rise of the pro-Taiwan-independence DPP, the political landscape of the ROC is changing fast. Members of the above-mentioned elite who are sympathetic to the cause of cementing strong ROC–RSA links are fading away with the passage of time or are about to retire in due course from public life. The three most important ROC ambassadors who had made great contributions in forging and defending the maintenance of cordial ROC–RSA relations – namely Edward Y. Kuan (1976-79), H.K. Yang (1979-89) and I-cheng Loh (1990-1997)

– have either passed away or bowed out of the ROC political arena. Tang resigned the premiership in October 2000. P.K. Chiang also lost his power to the DPP during the March 2000 presidential election. Others of the elite who have had vast experience with South Africa in the past may soon face a similar fate. The younger generation, unlike the generation of the post-Cold War elite, are more concerned with the ROC's domestic economy, its cross-Taiwan Straits relations and security links with the USA than its international engagement in the remote African continent.<sup>101</sup> The passage from the pro-South Africa old generation to the younger generation of political elite in the ROC will mark a major departure from the historical epoch of ROC–RSA rapport during 1976–1997.

Even if the ROC's political landscape had not changed, the attempts of the ROC government to deepen ROC–RSA academic/educational and cultural/social links during 1976–1997 had insurmountable limitations. The endeavour was beset with three major problems. The first is that the two cultures are fundamentally too different to be bridged in a relatively short time span. Until 1990, the cultural policy of the South African government focused mainly on Eurocentrism, and the cultural affairs were largely dominated by white South Africans. For decades, South African cultural identity bore the characteristics of European culture. Against this background, the value of all South African cultural expressions during the 1970s–1980s was measured against European standards. There was a common assumption that Western music, dance, literature and fine arts were better than those of the Third World.<sup>102</sup> After 1990, following F.W. de Klerk's opening speech in Parliament on February 2<sup>nd</sup>, 1990 announcing the unconditional release of Nelson Mandela and the lifting of the ban on all unlawful organisations, the international community gradually started to lift the cultural boycott against South Africa. As from January 1991, several international cultural groups including an 18-strong Lambada group from Brazil, the Romanian State Circus and the first Russian film festival group, began to visit South Africa.<sup>103</sup> The end of cultural isolation cleared the ground for South Africa to gradually become a normal African state which finds its cultural roots in both European and African traditions. As South Africa

moves towards a full democracy, its cultural identification with Africa and the West has been acknowledged to be the focal points of its cultural development.<sup>104</sup>

Under such socio-cultural circumstances, most South Africans are simply not interested in Chinese cultural performances or Chinese culture. This is partially due to the great cultural divide and partially because of the unfamiliarity of the ROC culture.<sup>105</sup> The majority of South Africans incline more towards African culture or the historically more familiar cultures of Europe and North America.<sup>106</sup> Some might be impressed by East Asia's economic success; but apart from that, East Asian civilisation is perceived as a kind of mystery.<sup>107</sup> It will take time for the average South African to accept the culture of East Asia. For example, in 1997, the then ROC Consulate-General in Durban devoted a great deal of effort to arrange for a well-known Taiwanese Christian cultural group, namely Ya-tung Drama Troupe, to perform in Durban North on May 17<sup>th</sup>. To the group's great disappointment, only four South Africans attended the performance – the pastor of Durban North Baptist Church, the deacon of the said Church who was responsible for the circulation of invitation letters, and another white South African couple. The rest of the audience was made up of local Chinese residents and the officials of the ROC Consulate-General in Durban.<sup>108</sup> Similar situations marked other Chinese cultural performances, traditional Chinese festivals and dragon-boat races. Very few South Africans bother to participate in traditional Chinese cultural activities. The people from the ROC also chose to do things their own way. They live in a distinctly different world. The two cultures lack convergence and acculturation despite the bridge built between the ROC and the RSA. At the end of the day, the two nations failed to draw on the best practices and values from each other's rich civilisations.

The second problem is the language barrier. The teaching media and official language in the ROC is Mandarin, while English and Afrikaans are the most important of South Africa's eleven official languages. To master the language of Mandarin, especially its four intonations and written characters, is fairly difficult. As a result of the language barrier, very few South African students dared to embrace the opportunities provided by the ROC. This is why, in 1992, no South African student accepted the ROC bursary to



study in Taiwan despite the goodwill of the ROC government, which had made five such bursaries available to South African students on an annual basis as from 1992 until 1997 to promote educational exchanges and strengthen cultural ties between the ROC and the RSA.<sup>109</sup> Between 1992 and 1997, only 7 South African students had been to the Mandarin Training Centre of the National Taiwan Normal University in Taipei to study Mandarin for one year and then pursue their East Asian studies for one further year.<sup>110</sup>

The third problem is that the ROC–RSA educational/academic and socio/cultural exchanges during 1976–1997 were basically government-controlled, not people-driven. The ROC's educational/academic and socio/cultural links with South Africa were just part of the multi-dimensionality of ROC diplomacy. In other words, the endeavour was just another aspect of the ROC's multifaceted pragmatic foreign policy which was politically/diplomatically motivated in essence.<sup>111</sup> This is shown from the remarks made by the ROC's former Minister of Foreign Affairs, Fredrick F. Chien, and the former Premier of the ROC, Lien Chan, during their terms of office. Premier Lien indicated that:

The fact is that 29 nations maintain full diplomatic relations with our country. While observing the obligations and enjoying the benefits of these formal relations, we also understand that we have many substantive, if not political, relationships with a much larger group of nations. These less formal relationships are of several types: economic, cultural, scientific and philanthropic.<sup>112</sup>

Chien, elaborated further upon this:

In upgrading substantive ties with those countries without formal ties with us, we have increased economic, scientific-technical, cultural and tourist contacts. At the present time, we have relations of this type in more than

120 countries, with main focus on the United States, Europe, Japan and Southeast Asia.<sup>113</sup>

It is clear that the ROC government's efforts in launching the drive of educational and cultural ties with South Africa were aimed at strengthening the ROC–RSA diplomatic relations. As Chien emphasised, “breakthroughs in our foreign relations will have to come through battle with the Chinese Communists internationally.”<sup>114</sup>

In brief, due to the above-mentioned three factors, the ROC–RSA academic/educational and socio-cultural ties did not get off the ground. The sisterhood ties between various South African cities and their counterparts in the ROC exist merely in name. Since November 1996, most of the afore-mentioned sister cities have not been actively implementing bilateral interactions and socio-cultural exchanges.<sup>115</sup> Expectations that these ties would bring the two nations closer were not met. In terms of hard results, the achievements were limited. Although the bilateral academic/educational and socio-cultural contacts during 1976-1997 helped to break down the walls of mutual ignorance, the great divide between the two societies remains insurmountable.

#### **6.4 SUMMARY**

During the period 1976-1997, apart from close diplomatic, economic and nuclear relations, the ROC and the RSA also developed co-operative relationship in the military, academic, educational, sports and socio-cultural spheres. The ROC and the RSA started to seek military, academic/educational and socio-cultural co-operation as from 1976. In 1977, the two countries exchanged military attachés. But the real military co-operation between Taipei and Pretoria commenced from March 11<sup>th</sup>, 1980 when a secret military co-operation agreement was signed by the two Prime Ministers at Cape Town, and ended in 1996. The ROC–RSA academic, educational, sports and socio-cultural ties were mainly developed in the 1980s, peaked in the first half of the 1990s, and dissipated at the end of 1996.<sup>116</sup>

Contrary to some long-held notions, military co-operation between the ROC and the RSA was not simply due to the international isolation and “pariahhood” of the two countries.<sup>117</sup> The nature of ROC–RSA military co-operation was, in fact, based mainly on diplomatic, strategic and pragmatic considerations. For the ROC, its military collaboration with South Africa was not intended as a means to form a “Fourth World” or “Fifth World” of pariah States,<sup>118</sup> nor “to escape from its pariah status.”<sup>119</sup> As the Taiwan Relations Act of the USA has guaranteed the ROC against the PRC’s armed aggression by authorising the USA government to provide the ROC with necessary defence weapons, the ROC, unlike South Africa in the 1980s, did not suffer arms embargoes. So long as the ROC did not offend the USA, arms supply was never a serious problem for the ROC. Aside from the ROC’s relatively assured security commitments and arms sales, there was the wide divergence of national conditions, which constrained the deepening of the two countries’ full military co-operation. The two states’ defence strategies were different. Therefore, Armscor’s military products such as the G5 and G6 artillery systems and the Casspir armoured personnel carrier were not suitable for the ROC’s defence need.<sup>120</sup> The ROC’s weapons system was mostly of American origin, and the selling to a third country was not allowed.<sup>121</sup>

The most serious dividing line was that the expectations of the two countries were also totally different. The RSA expected to attain, through the ROC–RSA military co-operation, sensitive American military technology and to expand its arms sales to the wealthy ROC. All of these hopes were dashed. In order not to break the rules of the USA arms sales and violate the UN arms embargo, the ROC refused to assist South Africa to obtain military technology from third countries.<sup>122</sup> Over a decade and a half, the RSA’s arms sales to the ROC was disappointingly scanty in terms of the ROC’s total defence budget.<sup>123</sup> From the ROC’s perspective, the ROC–RSA military co-operation was simply a means to strengthen its diplomatic ties with South Africa. It served merely as an instrument to a much higher strategic end – to safeguard its diplomacy, to exchange know-how and visits of personnel, and to effect bilateral training for the navies and air forces of the two countries.<sup>124</sup>

As a result of the above-mentioned differences, South Africa was disappointed by the insignificant result of the ROC–RSA military co-operation. In September 1996, the South African government unilaterally passed a cabinet resolution to terminate its military co-operation with the ROC and to stop its arms sales to the ROC as from September 1996.<sup>125</sup>

In the sphere of sports interactions, although there was a frequent exchange of visits between various sports teams of the two countries, the ROC avoided dispatching its national teams to compete with their South African counterparts. The ROC also declined to accept the national sports teams of South Africa to compete in the international tournaments that were hosted by the ROC's sports authorities, so as to abide by the rules of the International Olympic Committee.<sup>126</sup> The ROC–RSA sports interchanges were not particularly significant because of the fact that the ROC has never been a great sporting nation. Baseball, basketball and Chinese martial arts are very popular in the ROC, but rugby and cricket are not. However, rugby, cricket and soccer are South Africa's favourite sports.<sup>127</sup> The RSA's sports contact with the ROC did not help South Africa to make a meaningful breakthrough in its international sports isolation. South Africa could only normalise its sports relations once the South African government started to abolish its apartheid policies and build a non-racial democratic society.<sup>128</sup>

As regards academic/educational and socio-cultural links, a framework of inter-governmental co-operative agreements and sister relations between various universities of the ROC and their RSA counterparts were established during 1976-1997. ROC local city governments and the Taiwan Provincial government forged sisterhood ties with a number of South African city councils and the former Transvaal Province.<sup>129</sup> The ROC elite who had served or studied in South Africa also formed a very influential "Protea Club" in Taipei to promote people-to-people friendship and the reunion of old acquaintances. Some of the members of the "Protea Club" became prominent figures in the ROC government and its Foreign Service. This elite group was more sympathetic

to the idea of maintaining cordial relations with South Africa despite South Africa's recognition of the PRC. In a true sense, the ROC elite's in-depth understanding of South Africa and the human good-will that accumulated during the course of the ROC–RSA bilateral engagement are some of the most important achievements of the ROC–RSA social interactions.

However, owing to the fundamental differences of the two cultures, the language barrier, the lack of real interest, and the lack of grass-roots support, the ROC–RSA academic/educational and socio-cultural ties never took root. The bilateral academic/educational co-operation programme was driven by political/diplomatic motivations. The ROC's main focus is on the USA, Europe, Japan and Southeast Asia, and the RSA focuses on the West and Africa.<sup>130</sup> The efforts made by the two countries to establish academic/educational and socio-cultural ties were of limited achievement. The studies of this chapter proved part of the hypothesis pertaining to the limits of a "Pariah International" expounded by Robert E. Harkavy, a Senior Research Fellow of Cornell University, to be correct. The unstable relationship between the ROC and the RSA substantiates Harkavy's argument that "small-state alliances have historically been of questionable value" and that "the pariahs can be uneasy bedfellows at best, since close relations with any one of them constitutes an overall international liability."<sup>131</sup> However, some of the myths about the ROC's violation of international arms embargo and the ROC–RSA pariah alliance have been proved to be unfounded.<sup>132</sup>

In short, the ROC pursued a diplomacy of multidimensionality including military, cultural, economic, aid/developmental, educational, governmental and party interchanges towards South Africa to safeguard the full diplomatic ties. Although its aim was to defend its own national interests, the ROC's behaviour towards South Africa was basically pragmatic and "correct."<sup>133</sup> The ROC's former Ambassador to the RSA, I-cheng Loh, had this to say:

The ROC, unlike South Africa or Israel, has done nothing wrong. Since 1976, our relations have been correct. We have broken no arms

embargo; we have violated no oil embargo. We have no oil ourselves.  
We buy our arms even elsewhere.<sup>134</sup>

## FOOTNOTES

### CHAPTER VI

1. TLO Archives, Pretoria: 中斐條約協定關係 (The Agreements between the ROC and the RSA), 中華民國與南非共和國國防工業合作協議書 (The Agreement on Defence Industries' Co-operation between the RSA and the ROC), March 11<sup>th</sup>, 1980, pp.1-6.
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4. Feldman, Kau, & Kim, Taiwan in a Time of Transition, p.149.
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7. *Ibid.*, pp.504-505.
8. Adelman, "Israel/South Africa: The Club of Pariahs" in Africa Report, Vol. 25, No. 6, November-December 1980, p.10. See also G. St.J. Barclay, "Strategy of Despair: South Africa and the Alignment of the Alienated, 1974-82" in Journal for Contemporary History, December 1982, Vol. 7, No. 2, pp.2-11 for RSA-Israel military co-operation.
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12. K. Adelman, "Israel/South Africa", p.10.
13. Interview with Cmdr. Cheng-wu Chen, the ROC Naval Attaché in the RSA, on December 2<sup>nd</sup>, 1999 at 847 Thomas Ave., Arcadia, Pretoria.
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16. General M. Malan's address to the SAR&H War Services Union, on October 27<sup>th</sup>, 1988, Pretoria, in South African Yearbook of International Law, Vol. 14, 1988-1989, pp.242-243.
17. Interview with Cmdr. Cheng-wu Chen, the ROC Naval Attaché in the RSA, on December 2<sup>nd</sup>, 1999.
18. The Republic of China Yearbook, 1996, p.125.
19. A. Du Toit, South Africa's Fighting Ships: Past and Present, p.180.
20. TLO Archives, Pretoria: Agreement between the Government of the Republic of South Africa and the Government of the Republic of China on the Co-operation of ROC-RSA Defence Industries, March 11<sup>th</sup>, 1980, p.3, which is collected in TLO Archives, Pretoria: 中斐國防工業合作計畫案簡介 (The Briefings on ROC-RSA Co-operation of Defence Industries).
21. *Ibid.*
22. *Ibid.*, pp.3-5.
23. *Ibid.*, p.5.
24. *Ibid.*, The Briefings on ROC-RSA Co-operation of Defence Industries, p.5.
25. Agreement (Minutes) of Thirteenth Defence Industry Co-operation Conference Between the RSA and the ROC, No. 11, June 16<sup>th</sup>, 1990, pp.4, 14 & 17. The said minutes are collected in TLO Archives, Pretoria: 第十三, 十四屆中斐國防工業會議案 (The 13<sup>th</sup> and 14<sup>th</sup> ROC/RSA Defence Industry Co-operation Conferences).
26. Agreement (Minutes) of Eighteenth Defence Industry Co-operation Conference Between the RSA and the ROC, May 12<sup>th</sup>, 1995, p.29.
27. *Ibid.* p.28.
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47. The Republic of China Yearbook, 1996, p.171.
48. Hsueh, "The Political Economy of Defence Spending", p.51.
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69. See The Chinese World Almanac, 1995, pp.1006-1007 (Report on the RSA).
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## CHAPTER VII

### THE END OF ROC–RSA DIPLOMATIC TIES AND THE ESTABLISHMENT OF SUBSTANTIVE RELATIONS BETWEEN THE RSA AND THE ROC, 1994-1998

#### 7.1 THE RSA'S NEW FOREIGN POLICY AND INTERNATIONAL RELATIONS

The year 1994 saw the end of a period of political transition (1989-1994) and the emergence of a new South Africa. As a result of the multi-party negotiation process (1993-4), the first non-racial general election on a one-man, one-vote basis was held in South Africa on April 27<sup>th</sup>, 1994. The ANC won 62.65% of the popular vote and gained for itself 252 seats in the National Assembly. The National Party (NP) scored 20% with 82 seats, the Inkatha Freedom Party (IFP) 10.5% with 43 seats, the Freedom Front (FF/VF) 2.17% with 9 seats, the Democratic Party (DP) 1.73% with 7 seats and the Pan Africanist Congress (PAC) 1.25% with 5 seats.<sup>1</sup>

On May 10<sup>th</sup>, 1994, Nelson R. Mandela was sworn in as the President of the Republic of South Africa at the Union Buildings in Pretoria. Thabo Mbeki and F.W. de Klerk were sworn in as Executive Deputy Presidents on the same day. A government of National Unity (GNU) was formed for five years. The parties that won more than 5% of the seats in the National Assembly were given Cabinet portfolios on proportional basis. The ANC, NP and IFP took part in the GNU. Among the 25 Cabinet posts, the NP had four ministerial portfolios and a deputy presidential position, the IFP had three ministerial portfolios, and the ANC eighteen.<sup>2</sup> The ANC, as the majority party, exercised its dominant governing power. The political power of the Afrikaner elite was greatly weakened as from May 1994.

Following the transformation of South Africa's political landscape after May 1994, the country's foreign policy also underwent a process of dramatic change. The changes affected South Africa's objective and perceived position and role in the world. In moving forward to a new era, South Africa had not only broken with the international isolation of

its dark apartheid years, but had also begun to chart its new foreign policy objectives and the direction of its international relations in accordance with its needs as a new democratic nation.

South Africa's post-apartheid foreign policy focuses mainly on restoring its rightful place as an important regional power and a key player in the international arena, its vision of forging partnerships and strong ties with international major powers as well as neighbouring countries in southern Africa. The new South Africa also strives to serve as a spokesman for the cause of developing countries so as to help create the situation in which "South Africa would exist and develop as a democratic, non-racial, peaceful, non-aligned and prosperous country".<sup>3</sup>

The eagerness of the new South African government to return to the fold of world nations and play a high-profile role on the world stage following the inauguration of Nelson Mandela in May 1994 was reflected in the speech made by Alfred Nzo, the then Minister of Foreign Affairs of the RSA, in Parliament on May 27<sup>th</sup>, 1994. Nzo stressed the need for the RSA to break with its isolated past and integrate with the world community. He stated that, in the age of rapid global communication, South Africa must expand its role and integration into that global village. Nzo also emphasised that being part of the African continent, the first step of South Africa's foreign policy programme was to apply for the membership of the Organization of African Unity (OAU). South Africa's next step was to re-enter the UN and the Commonwealth, and to resume participation in, and contribute to, other international organizations.<sup>4</sup>

The priority areas and primary concerns for the South African government were defined as follows:

Firstly, peaceful co-existence and the promotion of economic development in the southern African region is a major priority. Secondly, constructive interaction with Africa, especially to address the challenges of the next decade and to find mechanisms to resolve conflict, is very important.

Thirdly, interaction with the international community at large, in multilateral organizations, is becoming increasingly important. Fourthly, further improvement of our relationship with the G7 nations, as well as South Africa's other major trading partners, is important for the wellbeing of South Africa's people. Lastly, the continuation of traditional friendships and the promotion of new partnerships in the rest of the world is also important.<sup>5</sup>

As South Africa had successfully transformed itself into a non-racial democracy, the Republic has also proceeded to normalise its relations with the rest of the world and was indeed warmly welcomed back into the international community to play an important role in global affairs as from May 1994. In order to reintegrate into the community of nations, the ANC-led GNU strove to establish, resume or upgrade its relations with many foreign countries and multilateral intergovernmental organisations.

South Africa's dream of reintegration into the family of nations came true during 1994. Soon after Mandela's inauguration, the RSA was admitted to a large number of international organisations. On May 23<sup>rd</sup>, 1994, South Africa was officially admitted as the 53<sup>rd</sup> member of the OAU; at the end of May 1995, the country joined the Non-Aligned Movement (NAM); in June 1994, South Africa rejoined the Commonwealth after an absence of 33 years and resumed her seat in the UN General Assembly; two months later, South Africa became the 11<sup>th</sup> member of the Southern African Development Community (SADC).<sup>6</sup>

The restoration of South Africa's seat in the UN General Assembly signified the official ending of the RSA's international isolation and the beginning of a partnership with the world community. The normalisation of the RSA's relations with the UN and its specialised agencies enabled the country not only to join major global international organisations, but also to benefit from multilateral treaties and conventions.

The achievement of the normalisation of international relations was proudly announced by Nzo in parliament: “Our flag flies high in Addis Ababa, New York and the capitals of the world; the democratisation of South Africa has created an historic opportunity for South Africa to play its rightful role on the world stage for the first time in its history”.<sup>7</sup>

By the end of 1994, South Africa had diplomatic relations with 162 countries, with a further 11 in a final stage of conclusion. Compared to 115 countries prior to Mandela’s inauguration, this was an increase of 47 countries; furthermore, the RSA was physically represented in 90 foreign countries.<sup>8</sup> According to the statistics given by Nzo, a total of 38 countries established new diplomatic ties with the RSA in 1994 and 18 countries upgraded already existing relations during the same period.<sup>9</sup>

## **7.2 THE CHANGING SITUATION OF ROC–RSA RELATIONS**

The normalisation of South Africa’s international relations and its emergence on the world stage as an important player marked the end of the pariah bond that had existed previously between the ROC and the RSA. While the new South African government was in the throes of reshaping its foreign policy, the new administration faced the dilemma of recognition between the PRC and the ROC. The new government had to decide whether or how to continue its bilateral relationship with the ROC and how to relate to the PRC. This was a difficult issue. On the one hand, it was widely expected that, following the advent of a new democratic South Africa in May 1994, the ANC-led GNU would follow international practice and shift its foreign policy orientation and recognise the PRC instead of the ROC. On the other hand, the GNU inherited formal diplomatic relations with the ROC and the absence of diplomatic relations, or, rather, unofficial relations with the PRC.

There was a strong case for the recognition of the PRC. The PRC is a major world power: the most populous state in the world, a nuclear power, a permanent member of the UN Security Council, and one of the world’s fastest growing economies.

Historically, the PRC assisted the liberation movements during the apartheid years. Without forging diplomatic ties with the PRC, the universality of South Africa's foreign relations would be incomplete. Raymond Suttner, the then Chairperson of the Portfolio Committee on Foreign Affairs of the South African National Assembly, compared the situation of having diplomatic relations with all states other than the PRC with "having relations with the European Union (EU) and not Britain and Germany, or southern Africa without South Africa."<sup>10</sup> This would also differ from the international trend as most countries have recognised the PRC as "the sole legal government of China."<sup>11</sup>

Equally, there was a strong case against the derecognition of the ROC in favour of the PRC. The ROC and the RSA had developed strong economic relations during 1976-1994. The ROC was South Africa's seventh largest trading partner. In 1994, the ROC-RSA bilateral trade totalled R5.35 billion with South Africa enjoying a trade surplus of R664 million. In terms of investment, the ROC had the second highest foreign exchange reserves.<sup>12</sup> The ROC was the seventh largest investor in the world and invested about R1.4 billion in South Africa with more than 280 factories creating more than 40,000 jobs.<sup>13</sup> In contrast to the mere huge potential market of the PRC, the ROC was already an important investor for the RSA. Even from a trade perspective, although South Africa's trade with the PRC grew faster than that with the ROC, the ROC was a large and more important market than the PRC in terms of its purchasing power.<sup>14</sup> Moreover, as indicated in Chapter IV, the ROC offered Pretoria a great number of economic incentives, grants and aid packages to assist the RSA in financing its RDP. If South Africa were to sever its relations with the ROC, it was quite likely that the ROC government would retaliate by suspending its aid packages, grants and loans, and rescinding its pledged development assistance or withdrawing its investments from South Africa. The ROC's retaliatory action against South Korea was a case in point. In 1992, Taipei avenged the insult of an abrupt break-up of diplomatic relations upon South Korea by terminating preferential trade treatments and the direct air links between Taipei and Seoul. Retaliation would hurt the ROC-RSA economic relationship. These were the main concerns of the ANC-led GNU in handling its relationship with the ROC.<sup>15</sup>



In the face of the above-mentioned two Chinas dilemma, the ideal solution for the ANC-led GNU would be the “dual recognition option” – to accord diplomatic recognition to both the ROC and the PRC. A number of divided nations such as the two Germanies, the two Vietnams and the two Koreas were recognised as separate states by the international community. If this approach could be effected, South Africa could avoid making a choice and so overcome the zero-sum nature of the recognition problem.

The ROC was willing to accept dual recognition to coexist with the PRC.<sup>16</sup> Since 1991, when the ROC’s then president, Lee Teng-hui, abolished the “Temporary Provisions Effective During the Period of National Mobilization for Suppression of the Communist Rebellion”, the ROC has formally recognised the reality that “Taiwan is currently separated from the Chinese mainland” and that “the ROC government and the Chinese communists must coexist peacefully.”<sup>17</sup> In other words, the ROC finally abandoned its long-held claim that it was the sole legitimate government of all China. As from 1991 onwards, the ROC did not challenge the undeniable fact that the PRC government effectively rules the mainland. Based on this flexible stance, the ROC government has adopted the policy of pragmatic diplomacy. In line with this policy, the then Minister of Foreign Affairs of the ROC, Fredrick F. Chien, declared in January 1991 that:

In terms of seeking formal ties, all those countries which are willing to be friends with us under the principles of independence, self rule, equality and mutual benefits know that we are willing to be their friend. Since last year we have established or re-established ties with Bahamas, Grenada, Liberia, Belize, Lesotho, Guinea-Bissau and Nicaragua. Grenada and other countries have formal ties with the Chinese Communists, yet they insisted on establishing ties with us as well. These facts fully demonstrate the fact that we have turned proactive in our foreign relations.<sup>18</sup>

However, in contrast to the ROC’s growing flexibility, the PRC refused to accept “dual recognition” and is still uncompromising on this issue. The PRC has taken an

unequivocal position on the “One China” policy and insists on the premise that there is only one China in the world. From Beijing’s perspective, the PRC is the sole legal central government of all China and the ROC, (on Taiwan) which was defeated by the Chinese Communists in the civil war in 1949, a mere renegade province of China.<sup>19</sup> The PRC advocates the unification of China through the formula of “One Country, Two Systems” to place the ROC (Taiwan) on the same level as Hong Kong and Macao which are merely “Special Administrative Regions” of the PRC.<sup>20</sup> This “One China” position is a non-negotiable issue for the PRC government. The PRC regards this stance as a most important question of national sovereignty and territorial integrity, and allows no room for compromise on this issue. Therefore, Richard Grant, Head of the Asia-Pacific Programme at the Royal Institute of International Affairs in London, deduced correctly that “China (the PRC) will not accept dual recognition, Nelson Mandela or no Nelson Mandela.”<sup>21</sup>

The PRC’s refusal to accept dual recognition was confirmed by Qian Qichen, the PRC Foreign Minister, in no uncertain terms to a visiting South African parliamentary delegation to Beijing in July 1995:

There is only one China in the world. The government of the People’s Republic of China is the sole legal government of China, and Taiwan is an inalienable part of China. We will never accept dual recognition.<sup>22</sup>

For the ROC, the PRC’s “One China, Two Systems” formula is not acceptable. The reasons were clearly spelled out by the ROC Vice-President and Premier, Lien Chan, in 1996 as follows:

The “one country” Peking [Beijing] insists on in this transitional arrangement would presumably be the “People’s Republic of China,” and the ultimate system would thus be communist autocracy. Peking’s proposal therefore amounts to reducing the ROC to the status of a local government, while forcing the people of Taiwan to accept Chinese

communist rule and to forsake the democracy, freedom and prosperity they enjoy today.<sup>23</sup>

As a result of the PRC's uncompromising stance on the "One China" policy, the PRC has rejected several attempts made by a number of small countries including Burkina Faso, Nicaragua, Grenada, Gambia and Senegal to pursue "dual recognition."<sup>24</sup> The PRC is not prepared to have diplomatic relations with any state that maintains diplomatic ties with the ROC. Hence, the option of "dual recognition" had no chance of success. South Africa was left with only two choices: either to maintain the status quo, or to downgrade its diplomatic relations with the ROC and establish diplomatic relations with the PRC.

### **7.3 THE POSITION OF THE GNU ON THE SEVERANCE OF ROC-RSA DIPLOMATIC RELATIONS**

At the time of its assumption of power in May 1994, the GNU did not develop a unified stance on the question of the establishment of diplomatic relations with the ROC. Mandela, the NP and the IFP, some of the cabinet ministers including Minister of Defence, Joe Modise, and the then Director-General of the Department of Foreign Affairs, Rusty Evans, favoured maintaining the status quo. The three partners of the ruling alliance, namely the ANC, the South African Communist Party (SACP) and COSATU, as well as the Department of Trade and Industry (DTI), and most of the senior officials of the Department of Foreign Affairs (DFA) were in favour of the rapid establishment of diplomatic relations with the PRC.<sup>25</sup>

As the China issue was complex and extremely sensitive, it appeared that the GNU preferred to initiate a process of gradual consensus building on reshaping its China policy, rather than taking a quick decision to break off diplomatic relations between the RSA and the ROC. This would allow various views to emerge and encourage different role players to debate on the proper way to deal with the conundrum the RSA faced.

The GNU's delaying of the decision to switch diplomatic recognition from the ROC to the PRC for two and a half years from May 1994 to November 27<sup>th</sup>, 1996 was due to several factors:

The first and foremost was Mandela's support for the ROC and his reluctance to sever diplomatic relations with Taipei in the course of the two years after May 1994. As the head of state of the new democratic South Africa, the senior leader of the ANC and a well-respected international statesman with his great stature of moral high ground, Mandela exerted great influence. His favouring of maintaining South Africa's diplomatic ties with the ROC was one of the decisive factors in the GNU's delaying of its decision-making.<sup>26</sup> The possible reasons for Mandela's unwillingness to cut off South Africa's diplomatic relations with the ROC are analysed in the ensuing paragraphs.

Secondly, with the normalisation of the political situation in South Africa, the RDP was the cornerstone of the GNU's domestic social planning.<sup>27</sup> As Thabo Mbeki, the RSA's then Deputy President, stressed, the RDP "remains the policy anchor on which all government programmes have been and will continue to be based."<sup>28</sup> The ANC-led GNU needed foreign economic and financial support to achieve the objectives of the RDP. Nzo also clearly emphasised the importance of the RDP to South Africa's foreign policy:

In our internal policies, the paramount importance of the RDP needs no stressing. My department has recognised the need for foreign trade and investment that will make a substantial contribution to the reconstruction and development of the South African economy, and hence to growth, ensuring peace and prosperity for our people.<sup>29</sup>

It was under such circumstances that the ROC was able to offer various types of assistance to the new South African government and to attempt to induce it with the advantages of not breaking diplomatic relations. As indicated in Chapter IV, prior to 1996, the ROC had rendered and pledged to provide substantial economic and

development funding to South Africa to support its RDP. Thus, the ROC's strong economic links with South Africa and the former's contributions to the RDP were the main inducements for the new South African government to maintain the status quo for as long as it could do so. However, the GNU's desired objective was still the establishment of diplomatic relations with the PRC, but not at the expense of existing ties with the ROC. Mandela and Nzo repeatedly reaffirmed this stance on various occasions. Nzo reiterated this official position in Parliament on June 18<sup>th</sup>, 1996, stating that "South Africa wishes to maintain and expand friendly and cordial relations with Taipei and Beijing precisely because we wish to enhance the welfare and prosperity of the people of South Africa, and because we wish to contribute to the new world order."<sup>30</sup>

Thirdly, apart from the practical economic factor, the new democratic South Africa was also in a "moral dilemma". "How do you justify diplomatic recognition of a communist one-party state, at the expense of a democracy which practices all the principles of liberty?" exclaimed Ric Wilson, a journalist with the Eastern Province Herald in July 1994.<sup>31</sup> Mandela's commitment to human rights and democracy were contributing factors for his retaining South Africa's diplomatic relations with the ROC as long as he could. This was made evident by his speech delivered on the occasion of his investiture as Doctor of Law at Soochow University in Taipei in July 1993. He stated:

As a liberation movement, the ANC was unique in so firmly nailing its colour to the mast of justice and human rights, decades before the issue came onto our national agenda. We did so because these things mattered to us. This is what we have been fighting for.<sup>32</sup>

Fourthly, the GNU was comprised of the ANC, the NP and the IFP. The NP and the IFP were in favour of maintaining the status quo. In view of the different stance taken by the cabinet members of the NP and the IFP from those of the ANC, it appeared that "the president was not prepared to force a decision, preferring instead to persist with a consensus decision-making approach."<sup>33</sup>

Fifthly, the shift of diplomatic recognition would affect South Africa's long-term interests. Before the actual severance of ROC–RSA diplomatic relations, it was necessary for the RSA to have in-depth assessment of the consequences and possible impact on South Africa's national interests. The RSA heads of mission conference that was held in September 1995 at Espada Ranch, Pretoria had clearly acknowledged the need of evaluation by proposing that "South Africa's long-term interests in the Greater China Region should be negotiated. It is necessary to evaluate the consequences if the situation is not dealt with in the foreseeable future."<sup>34</sup>

Lastly, in order to obtain the best deal possible for South Africa, the GNU intended to handle the China issue with great care and manage the process of extrication from the inherited diplomatic ties with the ROC at its own pace so as to ensure that "all stakeholders [were] consulted" and that "all parties concerned [were] treated with respect and dignity."<sup>35</sup> By doing so, it was hoped that "South Africa's immediate and long-term interests [would be] adequately protected."<sup>36</sup>

As the ROC was, and still is one of South Africa's most important sources of investment and because the ROC rendered substantial assistance to the RDP, the GNU tried not to follow the precedence of Korea's sudden breaking of ROC-ROK diplomatic relations (on August 24<sup>th</sup>, 1992) without any warning or consultation. This had angered the ROC government and damaged the economic relations between the ROC and South Korea.<sup>37</sup> It was probably due to the above-mentioned considerations that the GNU deferred its establishment of formal diplomatic relations with the PRC from May 1994 to January 1<sup>st</sup>, 1998.

#### **7.4 THE ROC GOVERNMENT'S EFFORTS TO SAVE ROC–RSA DIPLOMATIC RELATIONS**

From 1990, when the process of political change started to unfold in South Africa, the ROC government endeavoured to safeguard its diplomatic ties with the RSA. As early

as January 1991, after his visit to South Africa, the then ROC Foreign Minister, Fredrick F. Chien, discerned that while South Africa was in the process of normalising the country's external relations with the outside world and aspiring to take its rightful place in the international community, it would inevitably establish relations with the PRC. This he believed was because of the PRC's status as a permanent member of the UN Security Council and Beijing's influence in the Third World.<sup>38</sup> Nevertheless, President de Klerk had told Chien during the latter's visit to South Africa on January 22<sup>nd</sup>, 1991 that as the NP government cherished the special relationship existing between the RSA and the ROC, South Africa's development of relations with the PRC would be "confined to unofficial level", and that there was "no hidden agenda."<sup>39</sup>

The then South African Foreign Minister, R.F. (Pik) Botha, also assured Fredrick Chien that "as the ROC was South Africa's bad weather friend, the relationship between the two countries would neither change fundamentally, nor be influenced by the PRC." Botha foresaw that "for South Africa, it would not pay to forge diplomatic links with the Chinese Communist regime [at the expense of the ROC]."<sup>40</sup> Despite the NP government leadership's reassurances, the ROC government was deeply alarmed by the increasing frequency of exchange of visits between the RSA and the PRC and in particular the impending announcement of the agreement reached by Beijing and Pretoria on December 19<sup>th</sup>, 1991 to establish representative offices in the respective capitals as from the following year. The ROC government was perturbed that the process of setting up semi-official relations might lead to the eventual establishment of full formal diplomatic relations between the RSA and the PRC. Hence Chien called the then RSA Ambassador at Taipei, Alan Harvey, into the Office of Foreign Minister to express the ROC's grave concern about the PRC's increasing activities and diplomatic manoeuvring to improve its relations with Pretoria. Ambassador Harvey reassured Chien that the South African [NP] government would merely develop and expand economic, trade and tourism relations with the PRC, but not formal diplomatic ties with Beijing.<sup>41</sup>

In order to safeguard its diplomatic relations with South Africa, the ROC's largest diplomatic ally, the ROC government started to strengthen ROC–RSA economic and financial relations as well as other co-operative projects between the two countries as from January 1991. These booster measures included the establishment of a branch office of the Bank of Taiwan as well as a Vegetable Research Centre in South Africa, the importation of South African liquor and spirits, the offering of a Fixed Rate Re-lending Facility for South African financial institutions, a proposed deposit of USA\$500 million into the account of the Reserve Bank of the RSA, the small (black) farmers' project, the USA\$60 million loan to the IDC and the petro-chemical co-operation project, among various other co-operation programmes and financial assistance.<sup>42</sup> Apart from these booster measures, the ROC government also intensified the high-level exchange of visits. As a result of this effort, the then South African Foreign Minister, R.F. (Pik) Botha, was invited to visit the ROC in October 1991; F.W. de Klerk went to Taipei in November 1991, and the ROC President, Lee Teng-hui, attended President Mandela's inauguration in May 1994.<sup>43</sup>

Moreover, the ROC skilfully utilised the transitional period (1991-1994) to cultivate relations with the ANC, which was seen to be the ruling-party-in-waiting. Many leading figures of the ANC including Mandela, Walter Sisulu and Archbishop Desmond Tutu were invited to visit Taipei. Mandela's visit had an important impact on his perception of the ROC and resulted in the delay of the ANC-led government's severing of diplomatic ties with the ROC.

From May 1994 until November 1996, the ROC government went even further, launching a massive lobbying campaign amongst all of South Africa's political ranks and opinion leaders aimed at mobilising support for the maintenance of diplomatic relations. This campaign was characterised by the extension of invitations to prominent South Africans and pledges of assistance to the RDP. Most of the South African cabinet ministers and over 200 parliamentarians were invited to visit the ROC during this period. This was perceived as having "succeeded in delaying the policy decision for many months, if not years."<sup>44</sup>



Mandela was invited by the ROC government to visit Taipei during July–August, 1993 for four days. This was Mandela’s first visit to Taiwan in his capacity as president of the ANC. Mandela’s trip was also the first by an ANC leader to the ROC. During his visit, Mandela met the then ROC President Lee Teng-hui and the ROC’s other political leaders including the then Premier Lien Chan, and the KMT Secretary-General Hsu Shui-teh, and the then Democratic Progressive Party (DPP) Chairman Hsu Hsin-liang.<sup>45</sup> At the conclusion of his visit, Mandela remarked that this visit to the ROC marked “the opening of a new chapter in [ROC–RSA] relations.”<sup>46</sup> He had been warmly received and he was deeply impressed by the ROC’s economic progress, highly successful educational policies, well-educated labour forces, its democratic reforms and advanced technology and agriculture. Therefore, he anticipated that “the government of the Republic of China and the business community on this island of Taiwan [would] become important partners in the developmental programmes in a democratic South Africa.”<sup>47</sup>

As from 1994, one of the ANC’s most pressing tasks was to resettle and demobilise the returned cadres of the Umkhonto We Sizwe (MK), the military wing of the ANC. In line with this policy, Mandela was particularly impressed by the ROC’s experience in demobilisation and resettlement of its retired soldiers and its well-managed vocational centres. Mandela visited the Vocational Training Centre (VTC) in Taichung on July 31<sup>st</sup>, 1993, and was highly impressed by the ROC’s system of vocational training. He expressed the wish that the ROC government would donate a training centre on the scale of the one in Taichung to the new South Africa, and assist the RSA in training the relevant personnel including instructors for its operation. The ROC government responded very positively to Mandela’s request. It was agreed in principle that the ROC government would assist in building and equipping such a training centre worth USA\$40 million for the democratic South Africa, once the Interim government of National Unity was in place. Apart from the proposed VTC, Mandela also discussed other topics with the ROC government leaders including the development of small and medium businesses, in which the ROC had considerable experience.<sup>48</sup>

In addition, to secure the ROC's assistance for the RDP under an ANC-led GNU, the other important purpose of Mandela's visit was to "get funds for the ANC election campaign" and to "reassure the country's business community that its economic future would not be threatened in the new South Africa."<sup>49</sup> At Mandela's request, the ROC government agreed to give 10 million USA dollars (equivalent to R33 million) to the ANC for the April 27<sup>th</sup>, 1994 election campaign.<sup>50</sup> Furthermore, the ROC Premier, Lien Chan, promised to provide the new South African government with a total amount of USA\$100 million as a development loan.<sup>51</sup>

Despite Mandela's well-disposed rapport with the ROC leadership, the ANC's friendship with the PRC dated back to the 1950s<sup>52</sup>. The ANC and other African liberation movements enjoyed cordial relations with the PRC long before 1994.<sup>53</sup> As a result of this historical allegiance, "there was a strong ideological affinity with communist China [i.e. the PRC] in the ranks of the ruling ANC–South African Communist Party alliance".<sup>54</sup> Mandela felt likewise. When he was invited by the ROC government to visit Taipei, he made it clear during the press conference held on his arrival at Taipei on July 30<sup>th</sup>, 1993, that "the democratic South Africa [would] not abandon its long-term friend [the PRC] who assisted the ANC movement during its worst time".<sup>55</sup> By contrast, the ROC had no relations with the ANC and other black liberation movements before 1993. On the contrary, the ROC was perceived by members of the ANC-SACP-COSATU alliance as supportive of the South African white government and its apartheid policies.<sup>56</sup> Therefore, most of the members of the alliance were in favour of establishing full diplomatic relations with the PRC. This stance was reflected by Mandela's remarks on his arrival at Taipei when he was asked about the ANC's future policy on the existing ROC–RSA formal diplomatic relations. Mandela honestly declared that:

After the election next April, South Africa will remain a member of the United Nations, and that of many international organisations. We will thus be bound to the policies and decisions of these organisations. So far, these organisations do not recognise the Republic of China.<sup>57</sup>

In other words, Mandela implied that as the UN and other international organisations only recognised the PRC, South Africa, in line with international practice, would break diplomatic relations with the ROC in favour of the PRC as soon as a multi-racially elected new government was formed in South Africa. Although no finality was reached by the ANC, it seemed that Mandela originally intended to use his visit to serve as a warning to the ROC to brace itself for the impending diplomatic readjustment that would take place if the ANC won the 1994 general election.<sup>58</sup>

However, after his visit to Taipei in 1993, although he was still committed to building diplomatic relations with the PRC, Mandela appeared to back down over his plan to cut diplomatic ties with the ROC immediately after the 1994 election. Mandela was willing to recognise Beijing, but at the same time he was pragmatic enough to allow the new ANC-led government to seek partnership relations to the fullest extent with the ROC, as this was in the best economic and financial interests of the democratic South Africa. As long as the situation would allow the RSA to do so, ROC–RSA relations remained unchanged. Most analysts believe that one of the factors that may have contributed towards the turnaround of Mandela's attitude towards the ROC was the USA\$10 million donation that the ROC made to the ANC for its 1994 election campaign.<sup>59</sup>

Aside from the donation and the pledged assistance, the other important factor that influenced Mandela to maintain ROC–RSA diplomatic links was his good impression of the ROC and his appreciation of the ROC's positive response to his requests during his 1993 visit. However, with Mandela's world-acclaimed image of "sainthood", a donation of USA\$10 million from a small country like the ROC would not necessarily be able to "buy" Mandela's friendship. It was reported that Mandela had received considerable financial support from the Arab World, Malaysia, Indonesia and also the PRC before 1994.<sup>60</sup> The ROC's donation was just a small drop in the ANC's coffers. It should also be noted that the ANC received the same amount in donations from the PRC when Mandela paid his first visit to mainland China a few months before his trip to Taipei. The PRC's donations and grants breakdown were as follows: USA\$2 million in cash, a credit of USA\$3 million to purchase Chinese manufactured military uniforms, shoes,

weapons and other products, and one consignment of goods that was valued at USA\$5 million.<sup>61</sup> Therefore, it would be reasonable to deduce that the donation alone was not the only factor which led Mandela to change his mind pertaining to his China policy. For him to do so, there must have been something more than naked material self-interest. This was reflected from the comments he made at a news conference at Taipei before his departure from the ROC. Mandela admitted that he was deeply impressed by what he saw in the ROC and said that this trip had left “an indelible impression” on him and his delegation.<sup>62</sup> As a result of this good impression and his gratitude for the various types of support that the ROC accorded to the ANC, Mandela changed his attitude towards the ROC. He was willing to maintain South Africa’s diplomatic relations with the ROC, however, at the same time he aspired to establishing diplomatic ties with the PRC. At the news conference before he left the ROC, Mandela said that his trip had laid a firm basis for the development of ever-closer relations between the ROC and South Africa. He did his best to alleviate both the ROC government’s and the business sector’s fears regarding an ANC-led government by indicating that “the future democratic South Africa [would] be an independent country that has its own independent policies; so our attitude towards the ROC [would be] based on the benefits we receive[d] from the ROC government”.<sup>63</sup>

From May 10<sup>th</sup>, 1994 when Mandela was inaugurated as the President of the RSA to November 27<sup>th</sup>, 1996 when he announced the severance of ROC—RSA diplomatic ties. Both Mandela and his Foreign Minister, Nzo, espoused the principle of a dual approach to deal with the question of China. On the one hand, they repeatedly reaffirmed the RSA’s commitment to retain her relations with the ROC, and on the other hand they made it clear that the democratic South Africa would not abandon its long-time friend (the PRC) and wished to strengthen and improve relations with her.

For two and a half years, the Mandela administration had kept the dual approach stance towards the two Chinas and maintained the RSA’s diplomatic ties with the ROC. Based on this approach, Mandela and Nzo repeatedly reiterated their reassurances that Pretoria would not cancel its diplomatic relations with the ROC even if it established

formal relations with Beijing. During this period, the ROC tried its utmost to strengthen its trade, investment, financial assistance as well as economic and technical co-operation with South Africa. The ROC's development assistance to South Africa was largely motivated by its foreign policy objectives and the maintenance of ROC-RSA ties. Mandela reassured Lee Teng-hui of the firm diplomatic relations between the two countries during his inauguration as head of state in May 1994. In September 1996, two months before the announcement, Mandela and Nzo still assured the visiting ROC Vice-Premier, Hsu Li-teh, that it would be "immoral" to sever diplomatic ties with the ROC.<sup>64</sup> Therefore, from the ROC government's and public opinion's perspective, Mandela's personal support for the continuance of diplomatic ties with the ROC was seen as the most important pillar which stood in the battering sea of the ANC-SACP-COSATU alliance. Mandela's various statements led the general public of the ROC to believe that as long as Mandela remained in office, the ROC's diplomatic relationship with the RSA was guaranteed.<sup>65</sup>

## **7.5 PRESSURE PUT ON MANDELA TO REVERSE THE STATUS QUO**

Nevertheless, the ROC government and people expected too much of Mandela. There is no denying that Mandela played a pivotal role in the transition and that he carried considerable influence in the international forum because of his towering image of human dignity, racial reconciliation and unconditional forgiveness. By rising above his time of suffering, injustice and oppression, Mandela consciously embraced the spirit of humanity and the virtue of forgiveness. Because of this, he was reckoned one of the "Great Souls" in mankind's history.<sup>66</sup> But Mandela's support had its limitations. He was not the only role-player in the RSA's foreign policy decision-making process and much pressure and influence were brought to bear on his decision. While Mandela was hoping to maintain the status quo until a consensus could be reached, the ANC, SACP, COSATU combined with academics, the business sector, public corporations, the Portfolio Committee on Foreign Affairs of the South African National Assembly, the South African government and the PRC government were out to exert pressure on him.

Notwithstanding Mandela's good intentions, the PRC's rigid "One China" stance still forestalled the possibility of "dual recognition". In reality, Mandela's dual approach could not be translated into a real operational policy. Therefore, what Mandela was doing during this period was simply delaying the inevitable, and this caused uncertainty. This uncertainty in turn led to serious public debate in South Africa on the China issue during 1994-1996.

The SACP and COSATU were not happy with Mandela's delay of recognition of the PRC. They failed to understand why the government delayed the inevitable. Regarding South Africa's relationship with the ROC, the three partners of the ruling alliance basically shared the same position—the democratic South Africa should end diplomatic relations with the ROC and establish diplomatic ties with the PRC. The consistent policy of the ANC-SACP-COSATU tripartite alliance was that they perceived diplomatic relations with the ROC as an historical injustice that had been inherited from the apartheid government.

The tripartite alliance's position was evident from a secret letter, written in the name of Mandela, conveyed by a SACP delegation to Beijing led by its chairman, Joe Slovo, in August 1993 to the PRC leaders. In the secret letter it was clearly stated:

The new South Africa will correct the historic injustice which apartheid perpetrated in relation to China when it gave diplomatic recognition to Taiwan [ROC]. It will undoubtedly give diplomatic recognition to the People's Republic of China [PRC] as the sole representative of the whole Chinese nation.<sup>67</sup>

The content of the letter was published by the PRC's official Xinhua News Agency on August 10<sup>th</sup>, 1993.<sup>68</sup> However, the ANC's Department of International Affairs denied the report on August 18<sup>th</sup>, 1993 and assured the ROC that a democratically-elected South African government would not sever its ties with the ROC in favour of Beijing.<sup>69</sup> Despite

the ANC's denial, it was obvious that the letter was sent to Beijing shortly after Mandela's visit to Taipei to assure the PRC that the ANC-led government would not abandon an old friend. This letter was a reflection of the tripartite alliance's policy. The denial was merely intended to allay the ROC's fears so as to ensure that ROC investment and assistance would not be disrupted by the revelation of the alliance's position. This explained why the Xinhua News Agency, on August 19<sup>th</sup>, 1993, defended the correctness of its report after the ANC issued its denial on the previous day.<sup>70</sup>

The tripartite alliance's stance regarding its future diplomatic relations with the ROC was also reflected in the ANC's working document entitled "Summit on Foreign Policy for a New Democratic South Africa" published on October 9<sup>th</sup>, 1993. In this document, the ANC's Department of International Affairs stressed the importance of the concept of human rights and the links with the rest of the African continent and the need to reshape South Africa's foreign policy.<sup>71</sup> On the issue of the future of ROC–RSA diplomatic relations, it was stated that "in issues of recognition, we will be guided by international law and practice at the United Nations".<sup>72</sup> The real meaning of the phrase "practice at the United Nations" was "the code word for Beijing's policy objective of depriving the Republic of China on Taiwan of everything it stands for, indeed its very existence".<sup>73</sup> In other words, it was code language implying that the RSA should "sever all relations with the Republic of China (ROC) on Taiwan, and establish full (diplomatic) relations with the People's Republic of China (PRC), as the United Nations had done".<sup>74</sup> As a matter of fact, the initial wording of the ANC policy document clearly indicated its intention to readjust ROC–RSA diplomatic relations, but this wording was quietly revised after the ROC Ambassador, I-cheng Loh, approached the ANC and expressed his deep concern.<sup>75</sup> The original wording was as follows:

Taiwan [the ROC] was accorded recognition by the apartheid South African government. A democratically-elected government will have to consider the question once it takes office, bearing in mind both our national interest as well as the international practice with regard to the question.<sup>76</sup>

Among the ANC-SACP-COSATU tripartite alliance, the SACP was particularly vociferous in its strong opposition to Mandela's retaining diplomatic relations with the ROC. This standpoint was due to the SACP's ideological identity and its historical links with the PRC. There was also a dislike of the ROC within the ranks of the SACP for the ROC's previous close ties with the white-ruled South Africa. The SACP hankered after the derecognition of the ROC and criticised the continued relations. From 1995 onwards, the SACP started to exert pressure on both Mandela and Nzo in cabinet meetings and in the ANC's National Executive Committee (NEC) to immediately downgrade South Africa's diplomatic relations with the ROC.<sup>77</sup> The then Deputy Leader of the SACP, Blaze Nzimande, and the then Chairperson of the Portfolio Committee on Foreign Affairs of the South African National Assembly, Raymond Suttner, were especially clamorous.<sup>78</sup>

The SACP itself was also actively involved in expediting the normalisation of South Africa's relations with the PRC. Several SACP delegations were dispatched to visit the PRC for bilateral consultations. Apart from Slovo's 1993 visit, the most notable SACP delegations to the PRC took place in early 1996 and in November 1996. The November 1996 delegation was led by the ANC's Deputy General-Secretary, Cheryl Carolus. However, Nzo was still firm on the dual approach position. On January 31<sup>st</sup>, 1995 when he visited Japan, Nzo clearly reaffirmed that South Africa's official position was that "the South African government would hope to strengthen and improve its relationship with the PRC on the one hand, and the ROC on the other."<sup>79</sup> He emphasised that he saw no reason for South Africa to cut its diplomatic ties with the ROC. Nevertheless, to alleviate the SACP's pressure, Nzo admitted that South Africa was in the process of negotiating with the PRC on the question of establishing diplomatic ties with Beijing.<sup>80</sup> From this, it was clear that the SACP's pressure had a tremendous impact on the GNU's China policy.

The South African National Assembly's Portfolio Committee on Foreign Affairs also developed its position on the two Chinas issue. The South African Parliament thus



became another pressure point and debating forum as the Committee was chaired by Raymond Suttner during 1994–1998, a very able and hardworking member of the SACP. Suttner was not hesitant to let his pro-Beijing stance be known in Parliamentary debates, the media, ANC meetings and even during the workshop on the RSA's China policy held by the Foundation for Global Dialogue (FGD) and the South African Institute of International Affairs (SAIIA) at Jan Smuts House on August 30<sup>th</sup>, 1995.

Suttner strongly advocated that the South African government should break with the past and reprioritise its relations. From Suttner's perspective, the rationale of the change was due to the fact that during the apartheid era "foreign policy was forged against the background of a small minority of states wanting close co-operation with [South Africa]" and that since democracy, the RSA's situation had "changed domestically and internationally, both in relation to ourselves and to the world apart from us."<sup>81</sup> From as early as August 1994, during a Parliamentary debate, Suttner urged the South African government that there was a need to give "fresh consideration of what to prioritise in our foreign relations policy, the international organisations we belong to and what we seek to gain from them."<sup>82</sup> In his view, the democratic South Africa should develop its relations with the Third World countries (i.e. the South) because "the natural sphere of operation of the foreign policy of the new South Africa is within South[ern] Africa and Africa and in relation to the countries of the South."<sup>83</sup>

In respect of South Africa's China policy, Suttner was of the view that it was necessary for the RSA to urgently establish diplomatic relations with the PRC and lower the level of relationship with the ROC.<sup>84</sup> However, he was pragmatic enough to point out that "there are many areas of friendship and relations other than the official diplomatic level." Therefore, Suttner suggested that if South Africa decided to opt for diplomatic relations with the PRC and to break off relations with Taiwan, this should be handled in such a way that South Africa's relationship with Taiwan, as a whole, would not be jeopardised.<sup>85</sup>

During this period, numerous South African academics also put persistent pressure on Mandela to cut diplomatic ties with the ROC and establish diplomatic ties with the PRC. There was increasing dissatisfaction expressed by many prominent South African scholars about the continuation of ROC–RSA diplomatic links and the uncertainty of the two Chinas issue. Foreign policy institutions such as the SAIIA and the FGD entered into the debates as well. The GNU was slated for its indecision regarding this question. There was a growing consensus in the South African academia on the need for the RSA to recognise mainland China and improve its relationship with the PRC, as the PRC was becoming an increasingly important global player. However, the question of what would happen to ROC–RSA diplomatic ties, if and when South Africa established full diplomatic relations with the PRC, caused intense public debate. Should South Africa, in particular with Mandela’s towering international status, pursue a “dual recognition” policy? The “dual recognition” approach was rejected outright by the PRC government. Therefore, it was not possible for South Africa to implement this policy in terms of practical politics. As dual recognition was impossible, many scholars in South African academic circles felt that the normalisation of relations with the PRC was inevitable, and that the timing of this decision should be sooner rather than later. Delaying the decision would have a negative effect on South Africa’s national interests. This was especially relevant to Hong Kong, which was scheduled to revert to the PRC on July 1<sup>st</sup>, 1997. The most ardent proponent for recognising the PRC without further delay were Greg Mills, the Director of Studies (later National Director) of the SAIIA. Greg Mills was in favour of exclusive recognition of the PRC and believed that dual recognition was not a workable option because Beijing would not allow this to happen. Therefore, he asserted that it would be in South Africa’s long-term economic and political interests to establish full diplomatic relations with the PRC and to manage the shift of relations with the ROC so that Pretoria could continue to enjoy its beneficial economic relations, and other levels of relationship, with the ROC despite the severance of ROC–RSA diplomatic ties. As to the timing for the switch of recognition, he perceived that “the obvious time frame [was] sometime between the March [1996] Taiwanese Presidential election and July 1997, the handing over of Hong Kong”.<sup>86</sup>

Nevertheless, in spite of the above-mentioned view held by the majority of scholars in South African foreign policy institutions, attempts were made by some South African intellectuals to opt for a “dual recognition” policy – South Africa should maintain diplomatic relations with both the ROC and the PRC. This option was advocated by Willie Breytenbach, a professor of the Department of Political Science at the University of Stellenbosch; John Daniel, Head of the Department of Political Science of the University of Durban-Westville; Themba Sono, Executive Director of the Centre for Development Analysis in Pretoria; and Deon Geldenhys, Professor of Political Science at the Rand Afrikaans University in Johannesburg. The ROC government was willing to accept the “dual recognition” option and stated categorically that it would not sever diplomatic ties with South Africa if Pretoria entered into full diplomatic relations with Beijing.<sup>87</sup> But this option was, and still is, simply not allowed to be implemented by Beijing. The PRC will break off diplomatic relations with any country that dares to try dual recognition. Grenada, Burkina Faso, Nicaragua and Gambia are all cases in point. As a result of the PRC’s zero-sum stance, no country internationally has ever achieved “dual recognition” of the two Chinas.<sup>88</sup>

However, the ROC government was of the view that as compared with these small countries, which had tried and failed to achieve dual recognition, South Africa was in a much stronger position. Therefore the ROC hoped that Mandela might be able to utilise his unique high moral stature in international relations to interact with the PRC to try out the feasibility of dual recognition once again so that the ROC could use this as a precedent for its relations with other countries.<sup>89</sup>

The pressure on the South African government to normalise its relations with the PRC also emerged from the influential business sector and public corporations. The PRC’s fast-growing economy and its rapidly expanding consumer market could not be ignored. The South African business sector, particularly its parastatal enterprises such as Armscor, Denel, Eskom and Iscor, had a keen interest in exploring and establishing a foothold in the huge and rapidly growing market of mainland China. Between 1991 and 1995, the PRC was the fastest growing economy in the world with an average annual

GDP of 12.2%.<sup>90</sup> The PRC's economy was booming and foreign investment, particularly Taiwanese capital, were pouring in during the first half of the 1990s. Taiwanese investment in the PRC rose from 237 factories with a total of USA\$2.7 billion in 1991 to 11,700 factories totalling USA\$35 billion in 1996.<sup>91</sup> The ROC became the second most important investor in the PRC, next only to Hong Kong.<sup>92</sup> As the ROC itself was doing business with the PRC, it was therefore very difficult for the ROC to request the RSA not to have business transactions with the PRC, the third largest economy in the world, bigger in size than the ROC and Hong Kong put together.

The PRC began to wield its economic muscle from the beginning of the 1990s, and the fact that the PRC would recover Hong Kong on July 1<sup>st</sup>, 1997 and Macao on December 20<sup>th</sup>, 1999 further increased the importance and global strength of mainland China. Trade between the PRC and the RSA had expanded from USA\$14.6 million in 1991 to USA\$900 million in 1994. In Rand terms, the PRC–RSA two-way trade surged from R468 million in 1991 to R1.8 billion in 1994.<sup>93</sup> The PRC–South Africa trade volume was lower than the 1994 ROC–RSA total trade figure of R4.4 billion. However, if the 1994 Hong Kong trade figure of R2.9 billion was included, the combined total trade between South Africa and China–Hong Kong was higher than the ROC–RSA trade.<sup>94</sup> From 1995 onwards, the PRC became South Africa's sixth largest trade partner. The perceived potential market and the impending absorption of Hong Kong thus impacted on the balance of the Greater China region. From the standpoint of the South African business community, there was a need for the South African government to normalise relations with the PRC so as to have diplomatic leverage to protect South Africa's strategic interests in the Greater China region and to maximise the RSA opportunity to reap the potential benefits of gaining access to a new market of 1.2 billion people.<sup>95</sup>

It would have been untenable for South Africa not to look after its growing economic interests in the PRC. As discussed in Chapter III, long before the 1989 Tienanmen Square incident, South Africa had tried to cultivate its relationship with the PRC. To this end, secret contacts with the PRC were made from the 1970s and undisclosed trade links with Beijing via Hong Kong were established dating back to 1960. The trade items

between the PRC and the RSA included military hardware, maize, uranium and other minerals.<sup>96</sup> With a view to expanding its arms trade with the PRC, Armscor established its representation in Beijing in the early 1980s.<sup>97</sup> From the establishment of its representative to 1995, Armscor sold a total of R230 million worth of weaponry to the PRC.<sup>98</sup> Armscor's desire for extensive military co-operation with the PRC was one of the important factors that may have attributed to the switching of recognition to the PRC. In 1994, Iscor exported 4 million tonnes of iron ore to the PRC.<sup>99</sup> To facilitate the handling of its ore exports, Iscor invested R35 million in an iron ore storage facility on the PRC's north-east coast.<sup>100</sup> In order to assist the PRC to commission and operate a nuclear power plant at Daya Bay in Guangdong Province, Eskom entered into an agreement with the China Light and Power Company in 1993 to exchange relevant expertise, information, technology and personnel training pertaining to the nuclear power plant. In terms of this agreement, four Eskom staff worked at the said Chinese nuclear power plant and a number of Chinese personnel were trained at the Koeberg nuclear power plant, near Cape Town.<sup>101</sup>

Aside from the afore-mentioned parastatal corporations, private enterprises were also anxious to tap the business opportunities in the world's potentially biggest market. In March 1994, Nedbank opened a branch in Beijing to facilitate South African investment in the PRC. Many joint ventures were set up between South African private enterprises and their Chinese counterparts in the PRC. Volkswagen AG and South African Breweries (SAB) established the most notable joint ventures. In 1992, Volkswagen AG of Germany established a joint venture with the PRC's First Automobile Works in Changchun in North East China, and Volkswagen South Africa was contracted as a sub-supplier to export semi-knocked-down (SKD) A2 Jetta vehicles to mainland China in the first phase period before the joint venture could manufacture its local vehicles. During the period from May 1992 to August 1995, Volkswagen South Africa supplied the PRC with 27,720 SKD A2 Jetta vehicles worth approximately R960 million.<sup>102</sup>

SAB made South Africa's largest investment in the PRC. SAB entered into a business partnership with Chinese breweries in the PRC's province of Liaoning, Northeast China

(formerly Manchuria). The joint venture company was called China Resources (Jilin) Brewery (CREB). Over the three years from 1994 to 1997, SAB acquired, through CREB, joint control of five Chinese breweries with a total stake of more than USA\$41.7 million. These included one brewery each in Jilin City and Sichuan Province, the Shenzhen C'est Bon Food and Drink Company in Guangdong Province and two breweries in Shengyang City (formerly Mukden) and Dalian in the province of Liaoning (formerly part of Manchuria).<sup>103</sup>

In addition, many more South African companies were interested in doing business with the PRC. These included JCI, Investec Bank and MIH Holdings. MIH owns M-Net, Supersport, Multichoice and M-web. The China Central Television (CCTV) network concluded an agreement with MIH to co-produce television programmes in 1997. In the same year, the PRC's trade vice-minister, Shi Guang-sheng, and the DTI of the RSA signed a deal worth USA\$550 million for various business transactions. In accordance with this deal, South Africa would sell diamonds, iron ore, steel, coal, copper, cobalt, paper and other goods worth USA\$269 million to the PRC.<sup>104</sup>

All in all, by 1998, there were 17 South African funded businesses operating in the PRC, and the RSA's businesses had invested more than R4 billion in the country.<sup>105</sup> As the PRC's huge market and continuing high growth loomed large on the horizon of the international economic stage, the PRC subtly used the importance of its market to pressure South Africa to establish formal diplomatic ties. Among South Africa's influential business circles there was a growing concern that the absence of diplomatic relations with the PRC might hinder South African enterprises from gaining economic access to the PRC market and from receiving preferential treatment. It was due to the above-mentioned economic reality that South Africa could not continue to ignore the PRC's importance in the international community. The South African business sector was of the view that in order for South African entrepreneurs to maximise strategic opportunities in the PRC, relations with the PRC had to be normalised as soon as possible.

The South African foreign policy establishment, particularly the DFA as well as the DTI, was also in favour of the normalisation of relations with the PRC. As a matter of fact, in as early as May 1995, both the DFA and the DTI had already completed cost-benefit assessments of the policy option of normalising relations with the PRC. On May 23<sup>rd</sup>, 1995, an interdepartmental meeting was held at the Diplomatic Guest House in Pretoria to assess South Africa's real long-term interests with regard to the two Chinas and to what extent a shift in South Africa's policy position was necessary. Aziz Pahad, the Deputy Minister of Foreign Affairs, chaired the meeting. Twenty-one departments participated in this meeting. The meeting came to the conclusion that the PRC was a major power, and therefore, in the RSA's long-term economic and political interests, South Africa should seek to normalise its relations with the PRC and downgrade its relations with the ROC. The PRC is very influential in the UN Security Council, and Beijing's modernisation programme of its defence forces was seen as an important opportunity for South Africa. By contrast, the ROC was ridiculed as a country that "made a great deal of noise" but "not much substance."<sup>106</sup>

Similar views emerged from the first post-apartheid Heads of Mission Meeting that was held during September 4<sup>th</sup>–8<sup>th</sup>, 1995 in Pretoria. This meeting was chaired by Nzo, and opened by Mbeki, then Deputy President of the RSA. The two Chinas issue was discussed in this meeting's workshop. Consensus was reached on a number of issues, which are indicated below:

- It was decided that relations with China [the PRC] should be normalised, sooner rather than later, and specifically with a view to Hong Kong, that this should be done before the end of 1996. South Africa's strategic interests were central to the normalisation of relations with mainland China.
- The China issue affected South Africa's foreign policy across the board – both bilaterally and in various multilateral forums. There were certain realities pertinent to the issue, such as the fact that "dual recognition" was a non-issue. It was agreed that the Cabinet needed to address the realities of this situation soon.
- It was concluded that there was a need to negotiate while South Africa still had leverage, vis-à-vis a favourable dispensation for South Africa's long-term interests in

the Greater China region. It was necessary to evaluate the consequences if the situation was not dealt with in the foreseeable future. This evaluation included Hong Kong – if the situation with China was not normalised before 1997, as well as Taiwan – if the situation with China was normalised in the foreseeable future.

- It was decided that South Africa should manage the process to ensure that all parties concerned were treated with respect and dignity. Therefore, the parties concerned were to be informed about South Africa's intentions at an early date in order to obtain the best deal possible for South Africa. Timing was crucial.<sup>107</sup>

The conclusions of the above meeting and the views of the South African foreign policy establishment were presented to the South African cabinet, which considered the related policy option on two occasions. Nevertheless, the final decision and the timing of the announcement were left to Mandela to decide.<sup>108</sup>

In the meantime, the PRC was trying to put pressure on the South African government to make a choice between the two Chinas before Hong Kong reverted to the PRC on July 1<sup>st</sup>, 1997. Beijing utilised the Hong Kong issue to influence Pretoria to normalise its relations with the PRC prior to the looming deadline, so as to protect South Africa's interests in Hong Kong. Devoid of formal diplomatic relations with the PRC, South Africa's Consulate-General in Hong Kong could have been downgraded to semi-official status or even closed by the PRC, and SAA flights to Hong Kong would have to be renegotiated with Beijing. It was also generally feared that if there were no diplomatic relations, the PRC might impose duties on South African products entering Hong Kong and that visa-free entry for South African passport holders would be revoked.<sup>109</sup> If this undesirable situation happened, South Africa's trade and other ties with Hong Kong could be adversely affected.

For the PRC, the issue of Hong Kong was a very important showcase in relation to its strategy of unification and its Taiwan policy. The basis of this so-called Taiwan policy is "one country, two systems".<sup>110</sup> The PRC's "one country" (one China) is the People's Republic of China, which, according to the PRC's definition, is the sole legitimate



government representing the whole of China, including Taiwan. The PRC's ultimate goal is to categorically deny the existence of the ROC. Adopting such a strategy, the PRC used the re-incorporation of Hong Kong, in particular its Basic Law, as a diplomatic weapon to compel countries that maintained diplomatic relations with the ROC, either to scale down these relations or to recognise the PRC instead.

In June 1995, the PRC proclaimed that according to the Basic Law of the new Hong Kong Special Administrative Region (as Hong Kong was now termed by the PRC), Hong Kong's future external relations and its official interactions with Taiwan (ROC) would have to be approved by Beijing.<sup>111</sup> As the hand-over of Hong Kong approached, the PRC's Hong Kong policy statement greatly increased the pressure on the South African government to make a decision. The hand-over was seen as the sword of Damocles to cut South Africa's diplomatic relations with the ROC. Most South African government agencies sensed the need to change the RSA's China policy before the absorption of Hong Kong into the PRC on July 1<sup>st</sup>, 1997. The then Consul-General of the RSA in Hong Kong, Michael Farr, strongly recommended in July 1995 that in order to safeguard South African interests in Hong Kong, the South African government should swiftly resolve the China question. He pointed out that "negotiations could take some time and delay could be prejudicial in regard to [South African] trade, landing rights [for the SAA] and the future of the Consulate."<sup>112</sup>

The then Chairperson of the Portfolio Committee on Foreign Affairs of the National Assembly, Suttner, made similar arguments after he led a delegation of Members of Parliament to visit Beijing, Shanghai and Hong Kong in July 1995. The delegation's report concluded that if South Africa continued to maintain diplomatic relations with the ROC after June 30<sup>th</sup>, 1997, South Africa's bilateral trade with Hong Kong, the future of the South African Consulate-General in Hong Kong, and the SAA landing rights would be "entirely [at] the discretion of the PRC."<sup>113</sup> The report also cited Consul-General Farr's opinion and warned that South Africa would not only have to negotiate the status of its mission in Hong Kong with the PRC government, but also lose SAA's landing rights in Hong Kong. The report indicated that "as long as South Africa maintains

diplomatic relations with Taiwan, we would be unable to conclude a formal Air Service Agreement with respect to air service arrangements between South Africa and Hong Kong".<sup>114</sup> From the above analysis, it was generally believed that the imminent return of Hong Kong to the PRC on July 1<sup>st</sup>, 1997 was one of the most important factors which influenced Mandela's timing of his announcement before the deadline of the hand-over.<sup>115</sup>

## **7.6 THE RSA'S NORMALISATION OF RELATIONS WITH THE PRC**

Under the combined pressure of the ANC-SACP-COSATU alliance, the South African parliament, the South African government, academics, the business sector, parastatal corporations and the PRC, Mandela could no longer ignore the increasing vociferous clamour for normalisation of relations with the PRC before the return of Hong Kong. In response to these various sources of pressure, the process for normalising South Africa's relations with the PRC was set in motion by Mandela as from July 1995.

Hence, during the period from July 1995 to August 1996 the South African government sent various delegations to Beijing and Taipei to test the possibility of pursuing "dual recognition" of the PRC and the ROC. To sound out the PRC's attitude towards "dual recognition", the delegation from the Portfolio Committee on Foreign Affairs of the South African National Assembly was sent to visit Beijing and Taipei in July and November 1995, respectively. To exert further pressure on Mandela, the SACP passed a resolution in November 1995 requesting the ANC's National Executive Committee (NEC) to pressure the RSA government to speed up the normalisation of relations process with the PRC. In December 1995, based on the SACP's resolution, the ANC's NEC urged the GNU to send an official delegation to Beijing to discuss the establishment of diplomatic relations with the PRC. Therefore, Mandela sent the then RSA Foreign Minister Nzo to pay fact-finding visits to Beijing in March 1996 and Taipei in July 1996 to discuss and assess the feasibility of the "dual recognition" approach. In addition, several fact-finding missions were also conducted by officials of the foreign

policy establishment and NGOs to gather information and examine the possible impact of the recognition of the PRC.<sup>116</sup>

Despite Mandela's endeavour to try out the feasibility of "dual recognition", Mandela's personal prestige and his towering international moral status did not help South Africa to wring any concession from Beijing on the recognition issue. The RSA's attempt to pursue a "dual recognition" policy met with the PRC's flat rejection. The PRC leadership insisted that the PRC regards Taiwan (the ROC) as a province forming an integral part of China, and that the PRC's declared policy towards Taiwan (the ROC) is the policy of "One Country, Two Systems". Therefore, the precondition set by the PRC was that South Africa must first sever its diplomatic relations with Taiwan (the ROC) before establishing diplomatic ties with the PRC. Neither "dual recognition" nor maintaining the status quo was acceptable to the PRC. This was made abundantly clear by the PRC leadership to the July 1995 delegation of the Portfolio Committee on Foreign Affairs of the RSA National Assembly. The PRC leadership reiterated in no uncertain terms the PRC's position that the PRC would not tolerate any deviation from the concept of "One China", which includes Taiwan. They emphasised that on the question of "One China" there can be no compromise. They considered attempts to promote dual recognition to be an interference with the sovereignty of the PRC. The South African Parliamentary delegations was told that should any state with which the PRC has diplomatic relations, establish diplomatic relations with the ROC, the PRC will (as it has consistently done) sever such relations. In line with this policy, the PRC would refuse to establish diplomatic relations with any state which maintains diplomatic relations with the ROC.<sup>117</sup>

The same position was reiterated to Nzo in March 1996 when he visited Beijing to investigate and discuss the normalising relations with the PRC. For this visit, Nzo was instructed by Mandela to lead a "Presidential delegation" consisting of nine persons from both the RSA government and Parliament to visit the PRC on his behalf. This delegation met the political leadership of the PRC at the highest level, including the President and Secretary-General of the Chinese Communist Party (CCP), Jiang Zemin;

Li Peng, the Premier; Qian Qichen, the Vice-Premier and Foreign Minister; and Madame Wu Yi, the Minister of Foreign Trade and Economic Co-operation. The PRC President, Jiang Zemin, emphatically stated in the high-level meeting that the PRC would never accept "dual recognition" or foreign mediation for the PRC–ROC dispute, which the PRC considered an internal matter. He stressed that the PRC would not like to see South Africa, in particular Mandela with his high international profile, endeavour to set a precedent in this regard. The PRC leadership reminded Nzo and the other members of the Presidential delegation that while the PRC had given support to the liberation struggle, Taiwan (the ROC) had supported the white racist regime.<sup>118</sup>

Apart from the above-indicated PRC position and conditions for establishing diplomatic relations, the PRC leadership also raised the Hong Kong issue during the meeting, emphasising that South Africa should bear in mind that, as the sovereignty of Hong Kong would revert to the PRC after July 1<sup>st</sup>, 1997, Hong Kong's foreign affairs and defence would be under Beijing's control. Furthermore, the prospect of the PRC's huge market, the PRC's intention of granting Most Favoured Nation (MFN) treatment to the RSA and the UN issue were used as incentives to induce South Africa to facilitate the normalisation of relations during the PRC–RSA bilateral high-level meeting in Beijing. The RSA Presidential delegation was advised by the PRC leadership to take a long-term view of relations with the PRC. It was pointed out that good relations with the PRC were indispensable if South Africa wished to maintain its economic interests in the PRC and Hong Kong. The Minister of Foreign Trade and Economic Co-operation, Madame Wu Yi, expressed the PRC government's wish to sign the Exchange of Notes for the granting of MFN trade status with the RSA during her attendance of the United Nations Conference on Trade and Development (UNCTAD) in South Africa in April 1996. She envisioned that within the next fifteen years, valuable opportunities for the development of trade and joint ventures between the PRC and South Africa would arise. She promised that the PRC would provide aid to South Africa after the establishment of diplomatic relations. She confirmed that the PRC was well prepared to do so.<sup>119</sup>

Although Nzo's two post-visit reports were never made public, and neither report made any concrete recommendations, somehow between the lines, the reports concealed an unequivocal message inferring that since "dual recognition" was not acceptable to Beijing, the severance of diplomatic ties with the ROC would be inevitable.<sup>120</sup>

In the meantime, the PRC continued to use various means available, including Madame Wu Yi's visit to South Africa, the imminent hand-over of Hong Kong as well as a propaganda blitz to push South Africa's hand for recognition. Wu arrived in Johannesburg in April 1996 and left South Africa in May 1996. The main purpose of her visit was to attend the UNCTAD Conference, which was held in Midrand, just outside Johannesburg, from April 26<sup>th</sup> to May 11<sup>th</sup>, 1996. During her stay in South Africa, she was skilful enough to use the opportunity her visit presented to press the South African political leadership to speed up the normalisation process. She not only succeeded in signing of the Exchange of Notes for the granting of MFN trade status with Alec Erwin, the RSA Minister of Trade and Industry, but she also met with Mandela on April 30<sup>th</sup>, 1996 to discuss the normalisation of bilateral ties. She managed to gain the support of the South African political and business communities and highlight the need for South Africa to expedite the establishment of diplomatic relations with the PRC so as to safeguard the RSA's greater national interests. A growing consensus on the need for the normalisation of relations was thus whipped up in the South African media by Wu's visit.<sup>121</sup>

As a result of Wu's successful diplomatic manoeuvre, Mandela gave assurances to her during their meeting at Mahalamba-Ndlopfu, Pretoria, that as "dual recognition" was not possible, South Africa would downscale its relations with Taiwan (the ROC) in order to establish diplomatic relations with China (the PRC). Mandela indicated that Nzo's forthcoming visit to Taipei was aimed at seeking agreement with, and explaining to Taiwan that recognition of the PRC was inevitable and could not be avoided. Despite this, Mandela also honestly told her that the overwhelming majority of the ANC leadership demanded recognition of the PRC, and that he was the only one that was cautious.<sup>122</sup> From Mandela's remarks it was apparent that the issue of recognition had

reached the final decision point by the end of April 1996. Mandela seemed to be determined to establish diplomatic relations with the PRC, but no time-frame was mentioned.

To add a greater sense of urgency, the PRC Ministry of Foreign Affairs in Beijing, through its Assistant Foreign Minister, Ji Peiding, also echoed Wu's demands. On April 27<sup>th</sup>, 1996, Ji issued a veiled warning to South Africa pertaining to the future of the South African Consulate-General in Hong Kong. Ji stated that as the deadline was approaching, diplomatic notes had already been sent to 30 countries, including South Africa, which maintained diplomatic relations with Taiwan (the ROC) to the effect that without establishing diplomatic relations with the PRC, the Hong Kong missions of these 30 countries would be allowed to continue only on a semi-official basis.<sup>123</sup>

In order to exert further pressure on the RSA, the PRC aired its message of displeasure and impatience as well. In May 1996, the PRC President Jiang Zemin, intentionally omitted South Africa from his tour of Africa. At the same time, the PRC authorities released the news of various economic co-operation projects, including the so-called Dragon City complex, to the South African media with a view of inducing the South African general public to believe that by establishing diplomatic ties with Beijing, South Africa would greatly benefit from the immense economic investment from mainland China. The so-called Dragon City complex has not materialised to date. According to the PRC's propaganda, this project alone would create 500,000 new jobs and would inject USA\$18 billion into South Africa.<sup>124</sup>

The tightening of the PRC's screws, coupled with its successful manoeuvring of the various means at its disposal, meant that the ROC had, more or less, lost its diplomatic war in South Africa by September 1996. The fate of ROC-RSA diplomatic ties was almost decided, pending the official announcement.

The ROC government was deeply worried about the damaging effects of Nzo's post-trip reports and the growing consensus in South Africa on the need for normalising relations

with the PRC. In order to save the collapsing ROC–RSA diplomatic relations, the ROC sent Vice Premier Hsu Li-teh to visit South Africa from August 26<sup>th</sup> to September 3<sup>rd</sup>, 1996 pledging to offer more trade, investment, economic aid programmes and various co-operation projects including a proposal for a USA\$3.5 billion petro-chemical complex joint venture in the Eastern Cape. Although Mandela publicly repeated his assurances that he would not break off diplomatic ties with the ROC, Hsu did not succeed in salvaging the faltering ROC–RSA relations. The die had already been cast. Mandela wanted formal ties with the PRC, but not at the expense of Pretoria’s long-time political and economic ties with the ROC. However the reports of the fact-finding missions clearly reflected that there was no way Mandela could achieve “dual recognition”. Mandela decided to follow the international major powers in establishing diplomatic ties with Beijing rather than Taipei.

On November 27<sup>th</sup>, 1996 at 4:00 p.m., Mandela announced at a press conference that South Africa had decided to cut diplomatic ties with the ROC and establish full diplomatic relations with the PRC as from January 1<sup>st</sup>, 1998. He declared that diplomatic relations with the ROC would be severed at the end of December 1997, but that the RSA would continue to maintain other relations with the ROC.<sup>125</sup>

The explanation for cancelling diplomatic ties with the ROC, according to Mandela’s statement, was due to the following consideration:

In its international relations, South Africa has become an active participant within the Organisation of African Unity [OAU] and the Non-Aligned Movement [NAM], as well as within the UN system. A permanent continuation of diplomatic recognition of the Republic of China on Taiwan is inconsistent with South Africa’s role in international affairs.<sup>126</sup>

Judging from the above explanation, it was apparent that South Africa’s aspirations to play a prominent role in international multi-lateral forums, such as the SADC, the OAU, the G77, the Commonwealth, the NAM and the UN, in particular South Africa’s interest

in seeking candidacy for the UN Security Council, was one of the important factors for Mandela to switch recognition. There is no denying that the democratic South Africa has always been keen to see the UN Security Council transformed into a relatively more democratic and representative organisation, even though South Africa has not yet decided whether it would pursue its own permanent seat on an expanded UN Security Council. The statement made by the Director-General of the RSA's Department of Foreign Affairs, Siphon Pityana, on July 24th, 2000, is proof of this policy. Pityana publicly confirmed that South Africa supported Africa's demand for two permanent seats on the Security Council, and that the UN section of the South African Department of Foreign Affairs had proposed that South Africa should campaign for a seat.<sup>127</sup> As the PRC is one of the Big Five which continue to dominate the UN with veto power, without the PRC's blessing, South Africa's dream of a permanent seat would remain elusive as long as the RSA retained its diplomatic ties with the ROC. This probably weighed heavily on Mandela's decision. During the press conference Mandela admitted that: "We tried to urge that [dual recognition] , but the People's Republic of China made it clear that they will not tolerate that; and it is impossible to move forward on the basis of dual recognition."<sup>128</sup>

To sum up, Mandela's public admission indicated that the afore-mentioned factors, including the return of Hong Kong, the UN issue, the need for South Africa to be in line with the international trend, the PRC's rejection of "dual recognition" as well as the various other sources of pressure analysed in this chapter, caused his volte-face. Even so, Mandela was appreciative of the ROC's assistance. He had done his best to prolong the maintenance of the status quo and tried to pursue "dual recognition", but without any success. In the end, Mandela chose to announce the decision himself at his home in Johannesburg, which is next to the official residence of the ROC Consul-General (the first embodiment of ROC presence in South Africa), rather than in the President's Office or the Department of Foreign Affairs in Pretoria. The curtain fell on ROC-RSA diplomatic relations in a unique way, just as the relationship commenced in a unique historical era of both countries.



It was evident that Mandela was reluctant to hurt the feelings of the ROC government and its people and tried to part with the ROC as graciously as possible. He announced that the severance would take effect on January 1<sup>st</sup>, 1998. In giving a one-year notice, Mandela apparently intended to provide ample time for the two sides to work out a mutually acceptable formula for future interaction and resolve the practical problems as well. On March 6<sup>th</sup>, 1997, in Singapore, Mandela frankly revealed that by doing so “we have given them [the ROC] enough time for us to say thank you for what you have done”.<sup>129</sup> He further indicated that “the specific nature in which both [countries] relations will be structured will be dealt with of course by the experts and to the mutual satisfaction of both countries.”<sup>130</sup> Mandela’s personal revelation in Singapore partially explained why he chose as early as November 27<sup>th</sup>, 1996 to announce the termination of diplomatic ties with the ROC as from January 1<sup>st</sup>, 1998. However, as analysed in the preceding part of this chapter, the looming deadline of Hong Kong’s return to the PRC on July 1<sup>st</sup>, 1997 must have been an important consideration for the timing of the announcement. There was also speculation that the timing was designed to relieve Mandela’s successor, Mbeki, from the burden of the controversial two Chinas issue before Mandela’s retirement in 1999, and that the one-year transition was in part intended to put the PRC under pressure to make up for the loss Pretoria had sustained as a result of its severance of diplomatic ties with the ROC.<sup>131</sup>

Although South Africa’s change of relations with the ROC was long-expected, the ROC government and people, and certain sectors of the South African general public were caught off-guard by Mandela’s announcement. In its editorial, the South African daily newspaper, The Citizen, declared that “the sudden decision to reverse this stance came as a bombshell.”<sup>132</sup>

Before making the announcement, Mandela did not consult or give any advance warning to the ROC government, the South African Parliament or his own cabinet and the Department of Foreign Affairs. As a matter of fact, only three months beforehand, on August 26<sup>th</sup>, 1996, Mandela still assured the then ROC Vice-Premier Hsu Li-teh during his visit to South Africa, that it would be “immoral” for him to break diplomatic ties

with the ROC in favour of the PRC.<sup>133</sup> The ROC Ambassador, I-cheng Loh, received only 24 hours notice of the decision.<sup>134</sup> South Africa's Ambassador in Taipei, Johannes Viljoen, was told by phone, ten minutes before the announcement.<sup>135</sup> The ROC Ambassador was verbally informed of the impending announcement by Mandela on the morning of November 26<sup>th</sup>, 1996, and the Director of the Chinese Centre for South African Studies in Pretoria, Gu Xin-er, was told during lunch time later that day.<sup>136</sup> At 1:00 p.m. in the afternoon, the ROC Ambassador hastily requested Mandela to cancel the scheduled media conference, but Mandela told the ROC Ambassador that he was determined to go ahead with his announcement at the next day's press conference.<sup>137</sup> The sudden switch surprised both Loh and Gu. The ROC Ambassador was dismayed at the bad news, and he immediately made an urgent report to the authorities in Taipei. But Gu, as the representative of the PRC, was delighted by this decision. Gu stated that "the establishment of diplomatic relations is in the interests of both our peoples and we welcome it".<sup>138</sup>

In South Africa, Mandela's announcement aroused divergent reactions among various political parties and opinion makers. The responses basically depended on the extent of the historical links and the closeness of friendship between certain political parties or opinion makers and the ROC. Those who had close links with the ROC, such as the leaders of the NP, the FF and the IFP were outraged by Mandela's sudden reversal of recognition. The rank and file of the ANC-SACP-COSATU tripartite alliance welcomed the decision. Shortly after the announcement, De Klerk issued a press statement condemning the decision. He strongly criticised the way that this matter had been handled, and he stated that it was a serious issue to break diplomatic ties with any country. Furthermore, De Klerk asserted that the ROC was a good friend of South Africa and had done nothing wrong, therefore a satisfactory solution, instead of breaking ties, should have been found for this issue. De Klerk was also critical of the fact that Mandela did not discuss this important diplomatic issue beforehand with him as leader of the then official opposition. De Klerk perceived that this could be seen as a further proof of the growing influence of the SACP on the national government policy.<sup>139</sup>

The IFP Secretary-General, Ziba Jiyane, expressed shock and dismay at Mandela's announcement. In an IFP statement, issued on November 28<sup>th</sup>, 1996, Jiyane lamented that "South Africa's decision to pander to Communist China's insistence that it sever diplomatic recognition with Taiwan before establishing diplomatic ties with that country compromises South Africa's integrity and political morality, given mainland China's appalling human rights record, and heavy investment by Taiwan in South Africa, particularly during its transition to democracy."<sup>140</sup>

The FF Chief Spokesman on Foreign Affairs, Pieter Mulder, blasted Mandela in a statement issued on November 28<sup>th</sup>, 1996, for the haste and lack of consultation with the Parliamentary Portfolio Committee on the sudden change of policy. Mulder was particularly unhappy about the fact that Mandela personally gave the ROC Vice Premier, Hsu Li-teh, assurances that diplomatic ties would not be severed, yet soon after this, Mandela broke his word. Mulder said that "nobody can now blame the ROC if the promised development projects are cancelled to the disadvantage of South Africa and causing the loss of numerous job opportunities."<sup>141</sup>

The Democratic Party (DP) Spokesman for Foreign Affairs, Colin Eglin, was of the opinion that, given international political realities and South Africa's longer-term economic interests combined with the Hong Kong factor, diplomatic ties with the PRC were inevitable. However, the DP felt that the RSA government should do its utmost to ensure that, despite the new diplomatic circumstances, economic and social relations with the ROC would remain friendly and co-operative.<sup>142</sup>

The South African press commentaries were mostly in favour of the change of relations with the ROC, in particular the predominantly pro-government black newspapers such as The Sowetan and The New Nation. The politically more independent liberal English newspapers such as The Star, The Pretoria News, Business Day, Natal Mercury and The Daily News generally expressed their support and gave their qualified backing to the switch of recognition. Most of these newspapers were of the view that for South Africa's national interests, it was necessary to take this political move, even though

some of them criticised the timing and the way the decision was made as well as the manner in which the announcement was handled. The Star in its editorial made the most notable exemplary comments on November 29<sup>th</sup>, 1996:

At last South Africa has resolved its China policy.... The immense growth potential of the PRC's market and its political clout as a permanent member of the UN Security Council have persuaded all the major countries to recognise it at the expense of the ROC. In its own national interests, South Africa had very little choice but to follow suit.<sup>143</sup>

The majority of South Africa's political analysts were of the same opinion and praised the choice of the PRC as the sensible one.<sup>144</sup> Only a few relatively conservative newspapers, such as The Citizen and The Natal Witness were against bowing to pressure from the PRC. The Citizen slammed Nzo and Pahad, accusing them of causing a diplomatic debacle.<sup>145</sup> The Natal Witness felt so strongly about South Africa's submission to the PRC's demands that it pointed out that "only self-delusion could prevent us from seeing that kow-towing to a totalitarian state at the expense of a democracy makes a mockery of our moral stance."<sup>146</sup>

For the Taiwanese community in South Africa, Pretoria's decision to switch diplomatic recognition sparked fears of uncertainty and profound indignation. Most of the Taiwanese investors were jittery over the RSA's change of relations with Taipei and were nervous about the future of their investments in South Africa. In January 1997, about 280 Taiwanese firms which were affiliated to the Association of Chinese (ROC) Industrialists in southern Africa temporarily closed their factories and ceased their trading to protest against Pretoria's plan to downgrade its relations with the ROC, and to urge the two governments to maintain a high level of relations in the future after negotiations.<sup>147</sup> As Taiwanese investments and RDP assistance in South Africa were part of the vested interests that the RSA wanted to retain during the upcoming bilateral negotiations, the South African government was deeply worried that the protest might turn into a full-scale disinvestment campaign if the ROC government called for

sanctions or retaliation. But the ROC government had no intention to do that. There was no rash response on the part of the ROC government. En route to Malawi and Swaziland, the then ROC Minister of Foreign Affairs, John H. Chang (an illegitimate grandchild of Chiang Kai-shek), assured the South African general public on January 14<sup>th</sup>, 1997, that the ROC government would not call for an investor pullout from South Africa. However he cautioned that Pretoria would need to offer the ROC government sufficient representation in South Africa, so as to ensure Taiwanese business interests were protected, otherwise “they will depart [by themselves] if they do not feel safe”.<sup>148</sup> The RSA government was greatly relieved to learn of the rational and pragmatic reaction from the ROC government.<sup>149</sup>

In Taiwan, the ROC government and public were stunned by Mandela’s announcement. Although it was not totally unexpected, most of the Taiwanese people were surprised to hear Mandela’s sudden decision, because only three months earlier Mandela personally gave categorical assurances to the ROC Vice Premier that South Africa would not switch recognition. Therefore, it was quite understandable that after Mandela’s announcement, the ROC government and people were deeply disappointed. They experienced once again a rather rude awakening to the world’s harsh political reality and the PRC’s unrelenting diplomatic onslaught. South Africa’s turnabout on diplomatic ties dealt a stinging blow to the ROC’s diplomacy in the African continent. South Africa was the largest of the 30 countries that recognised the ROC at that time, and South Africa was also the most powerful country in the sub-Saharan region. The loss of diplomatic ties with the regional power was perceived as a painful blow to the ROC on the African diplomatic battlefield.<sup>150</sup>

Pent-up anger and deep disappointment prevailed in the ROC. The ROC government immediately called in the South African Ambassador in Taipei and instructed the ROC Embassy in Pretoria to lodge a strong protest against “this unfriendly decision on the part of the government of the Republic of South Africa”<sup>151</sup>. In the meantime, the ROC Vice President and Premier, Lien Chan, issued an official statement on November 28<sup>th</sup>, 1996 to berate the PRC for the use of “underhand tactic[s] to undermine the ROC’s

diplomatic relations” and also to urge the RSA to “carefully reconsider all decisions pertaining to this policy decision.”<sup>152</sup>

Despite being deeply shocked by Mandela’s surprise announcement, the ROC government was not angry with him. The anger was directed at Beijing, which imposes diplomatic isolation upon the island state. The ROC government still clung to a glimmer of hope that Mandela, with his magic of moral force, might be able to face-down the hard-liners in his own camp and rescue the sinking relationship from rupture.<sup>153</sup>

In an attempt to save ROC–RSA diplomatic ties, the then ROC Minister of Foreign Affairs, John H. Chang, visited South Africa during December 3<sup>rd</sup>–7<sup>th</sup>, 1996, to negotiate the retention of the official relationship and the arrangements for ROC–RSA future relationship. During his visit to South Africa, Chang held talks with Mandela and Nzo on December 4<sup>th</sup> and 5<sup>th</sup>, respectively. However, despite Chang’s appeal, Mandela upheld his decision. Except for Mandela’s expressed statement to maintain relations with the ROC at the highest level of representation short of full diplomatic recognition, the South African government refused to make any concession to the ROC’s proposals, including the retention of the three Consulates-General in Johannesburg, Durban and Cape Town; the use of the name Republic of China in the designations of the future missions; and the use of the ROC flag and national emblems.<sup>154</sup> Chang was so upset that, after his meeting with Nzo on December 5<sup>th</sup>, 1996, he announced at the Diplomatic Guest House in Pretoria, the immediate suspension of all ongoing development assistance programmes and the 36 bilateral treaties and agreements in force, including the Air Service Agreement on the direct flight between Taipei and Johannesburg.<sup>155</sup> The immediate suspension affected not only the direct air links between the two countries, but also the progressive USA\$40 million Vocational Training Centre in Pretoria West.<sup>156</sup> Apart from the cancellation of the ongoing co-operation projects, Taipei was reluctant to provide new economic aid or soft loans to South Africa. However, trade and investment remained largely unaffected. After Chang’s departure, the two sides decided to leave the task of negotiating a new formula of future relations to their officials in the RSA Department of Foreign Affairs and the ROC Embassy in Pretoria.<sup>157</sup>

## **7.7 THE ESTABLISHMENT OF ROC–RSA SUBSTANTIVE RELATIONS**

From December 3<sup>rd</sup>, 1996 to the end of December 1997, the governments of the ROC and the RSA held seventeen rounds of talks (four rounds of high-level talks and thirteen rounds of working-level negotiations) to work out a mutually acceptable mechanism for the bilateral future relations. Among these talks, four rounds were conducted between their deputy foreign ministers or foreign ministers and thirteen rounds of talks were held between the working level officials, led by Ambassador Loh and the appointed special committee of the RSA Department of Foreign Affairs.<sup>158</sup>

In the meantime, the South African negotiation team, headed by Pahad, and the PRC delegation under the leadership of its Assistant Foreign Minister, Ji Peiding, also engaged in three rounds of negotiations during this period. According to the ROC Embassy's confidential report, the negotiation process with the two Chinas was overseen by the then Deputy President, Mbeki, not Mandela or Nzo.<sup>159</sup> As Mbeki has always been keen to develop solidarity and strategic partnership with the PRC, the South African negotiation team submitted to all the demands imposed by the PRC without any objection, with the exception of Beijing's request that ROC properties in South Africa be handed over.<sup>160</sup>

By the beginning of October 1997, the PRC and the RSA had already decided on the fundamental framework for future ROC–RSA relations for the ROC. In the Joint Communiqué between the RSA government and the PRC government on "The Establishment of Diplomatic Relations", it has been clearly stipulated that "the government of the Republic of South Africa recognises that there is but one China in the world, the government of the People's Republic of China is the sole legal government representing the whole of China and recognises China's position that Taiwan is an unalienable part of China."<sup>161</sup> By accepting the PRC's "One China" clause, South Africa has legally recognised that the ROC (Taiwan) is a province of the PRC. Many countries desisted from doing so by avoiding recognition of the PRC's claim to Taiwan.

For instance, the United States only “acknowledges” the PRC’s position, and Japan “understands and respects” that position without agreeing to it.<sup>162</sup>

Moreover, in section 1 of the Memorandum of Understanding between the government of the RSA and the government of the PRC on the Establishment of Diplomatic Relations, it prescribed that South Africa will not only “sever its diplomatic relations with Taiwan” but also “abrogate all intergovernmental treaties or agreements” as from January 1<sup>st</sup>, 1998.<sup>163</sup> Section 2 of the Memorandum, prohibits South Africa after January 1<sup>st</sup>, 1998, from maintaining any form of official relations or conduct official exchanges with Taiwan (the ROC). It stipulates:

After the establishment of diplomatic relations between South Africa and China, the South African government shall no longer maintain any form of official relations or conduct official exchanges with the Taiwan authorities. Taiwan’s non-governmental agencies in South Africa shall not have any official functions, nor shall they engage in any official activities or use any designations that may imply “two Chinas”, “one China, one Taiwan” including the display of [the] so-called “national flag”, national emblem” and other signs.<sup>164</sup>

To rub salt into the wound, on January 28<sup>th</sup>, 1998, Nzo, at the request of the PRC, sent an official circular letter to ban official visits by ministers and premiers of the RSA to Taiwan, and restrict the access of the ROC diplomats to the South African government. South African ministers, premiers and officials were advised not to attend any official ROC functions.<sup>165</sup> With the above-mentioned restrictions in place, the PRC had succeeded in curbing the scope of ROC–RSA future relations. This was a mockery of Mandela’s promise that the RSA’s future relations with Taiwan would be “the highest level of relations short of diplomatic recognition.”<sup>166</sup>

In spite of the harsh treatment meted out by South Africa to its former diplomatic ally, the ROC government did not have much choice but to opt for pragmatism and accept



the new arrangements of relationship with South Africa. To the ROC, South Africa is too important to be left without any relations at all. Strategically, South Africa is a pivotal regional power and a gateway to the African continent. Economically, South Africa is not only the ROC's largest trading partner in the whole of Africa, but also an important fishing base for the ROC's fishing vessels to operate in the Atlantic Ocean and the Indian Ocean. The ROC needed to protect its investments in South Africa and preserve its interests in the fisheries. In addition, there are other diverse interests which cannot be wished away.

Therefore, in the end, the ROC government settled for pragmatic diplomacy and agreed to maintain substantive relations with South Africa. The ROC realised that it had to change relations with the RSA for the sake of protecting the mutual interests of the two countries. The focus of the ROC's policy also changed as from 1998. The ROC's future relations with South Africa will be determined more by economic interest and market forces, rather than political motivation and special diplomatic consideration.<sup>167</sup>

In line with this pragmatic policy, the ROC and the RSA eventually agreed to pursue a practical *modus vivendi* for their future relations as of the end of December 1997. The two sides reached an agreement by December 1997 that from January 1<sup>st</sup>, 1998, the previous ROC Embassy in Pretoria and its three Consulates-General would be changed into the "Taipei Liaison Office in the Republic of South Africa" and the "Taipei Liaison Offices in Johannesburg, Cape Town and Durban" respectively. The previous South African Embassy in Taipei would be known as the "Liaison Office of South Africa". All of these are located in the same premises as before. The Head of the respective South African and Taipei Liaison Offices shall bear the title of "Representative"; the respective Head of the Taipei Liaison Offices in Johannesburg, Cape Town and Durban shall be called "Director-General". Although the accredited representatives and offices are not allowed to fly their respective national flags and use the designation of the ROC, they are accorded diplomatic privileges and immunities on a reciprocal basis.<sup>168</sup> In real practice, the functions of these offices are more flexible than the prescribed official nature specifies, although this is done discreetly, as it has been pursued by many

countries, including the USA, France, Singapore, Malaysia, Indonesia, India, Turkey, Sweden, Russia, Thailand and Australia.<sup>169</sup>

From the aforesaid, it is evident that both the ROC and the RSA followed a very pragmatic approach to deal with each other while affording no *de jure* recognition to the other entity. The long-standing official links between the ROC and the RSA came to an end on December 31<sup>st</sup>, 1997. The ROC flag was lowered at the ROC Embassy in Pretoria on January 1<sup>st</sup>, 1998, and the ROC Embassy was renamed the Taipei Liaison Office. Since the archives of ROC–RSA substantive relations after 1998 are still classified as confidential and politically highly sensitive, the details of the historical development of ROC–RSA relations after 1998 will be left to future scholars to pursue.



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### CHAPTER VII

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## CHAPTER VIII

### 8.1 CONCLUSION

Before the 1970s, the ROC's contacts with the RSA were rudimentary. It was during the period from the establishment of ROC–RSA diplomatic ties in 1976 to the end of the 1980s that ROC–RSA relations broadened. Both countries' common interests were founded upon anti-communism, security-strategic considerations, complementary economies and their respective international isolation. However, by the time of the emergence of a new democratic South Africa in April 1994, the convergence of common interests no longer existed. The USSR had collapsed in 1991. The strategic and nuclear co-operation between the two states had dissipated by the end of the 1980s. Since 1994, the RSA has emerged from isolation to play an increasingly important role in international affairs. The party that came to power in South Africa in 1994 has different political aspirations than the previous NP government. The ANC-led government positions itself as a global player aspiring towards debt cancellation, the eradication of poverty, increased market access and the African Renaissance.<sup>1</sup>

In the meantime, as a result of its economic reforms, the PRC has re-emerged as one of the most powerful and influential nations on earth.<sup>2</sup> The RSA could not ignore the PRC's rising international status, its economic power and its vital position as a permanent member of the UN Security Council. Conscious of the PRC's strategic and economic importance, the RSA considers its relationship with the PRC not only as one of primary importance but also as a strategic partner in international affairs. Mbeki has contemplated the formation of a "G7 of the South" and is keen to improve the solidarity of the "Group of 77 and China" so as to bring the PRC, India and other key countries of the South together to counterbalance the influence of the USA and the G8 of the North.<sup>3</sup> The PRC also intends to strengthen China–Africa co-operation and mobilise African support to counter the domination of the USA and other western powers.<sup>4</sup>



Under these circumstances, it was generally anticipated that the RSA government would shift its China policy and normalise its relationship with the PRC. Despite Mandela's personal support for the continuance of diplomatic ties with the ROC, and the ROC's thrusts of so-called "chequebook diplomacy"<sup>5</sup> (financial aid, loans and grants) and its lobbying campaign, the pressure to derecognise the ROC exerted by the PRC, the ANC-SACP-COSATU tripartite alliance, the South African business sector, public corporations, academia, parliament and members of the government, was too much for Mandela to withstand. As South African foreign policy had changed its focus, the renowned South African historians, Rodney Davenport and Christopher Saunders, deduced that:

The decision to open diplomatic relations with the People's Republic of China, which involved the ending of formal ambassadorial ties with Taiwan, was controversial in view of the helpful role which Taiwan had played in supporting the South African economy during the years of isolation, and had continued to do afterwards; but the formal breach was unavoidable in view of the previous UN decision to accord China a place on the Security Council on her own terms.<sup>6</sup>

The PRC's outright rejection of "dual recognition" and the looming deadline of the hand-over of Hong Kong to the PRC on July 1<sup>st</sup>, 1997 was the last straw for Mandela, and he "reluctantly came to the conclusion that the reversal of the status quo was the only feasible option open to the South African government."<sup>7</sup> Mandela eventually succumbed to the realism and the PRC's dictation of "One China" and he announced that the diplomatic links between the ROC and the RSA would be severed from the end of 1997. The decision to change the diplomatic relationship has generally been accepted by the South African public. A new chapter of bilateral relations was thus unfolded from January 1<sup>st</sup>, 1998 onwards.

The study of the relations between the ROC and the RSA during 1948-1998 concludes that despite their close bonding and partnership in all spheres, the two geographically

and culturally distant pariah states did not succeed in breaking out of the international diplomatic isolation through their bilateral alignment, and that the pariah alignment was short-lived and of limited value. Despite the efforts that had been made to implement various fields of co-operation between the pariahs, the whole exercise proved to be futile, and labour was vainly spent in an attempt to counter diplomatic isolation. In the end, the two states' alignment could not challenge the long-held dominance of the strong powers. As the major powers dominate the inter-state system in the world community, it is not possible for the ROC to avoid the world of realism and power politics. Clearly, the ROC's security and survival are centred around the USA, and the ROC's fate is difficult to separate from the politics of the USA and the PRC. As a small state, the ROC has very little leverage to bargain with these two major powers. As from 1971, the PRC has tried to ostracise the ROC from international interactions. By comparison, as from 1994, the RSA was able to fully return to the international community because of the change in its domestic political dispensation.<sup>8</sup>

One of the major findings of this research is that the development of bilateral relations is largely determined by the respective countries' fluid internal and external situations, foreign policy goals, as well as their long-term economic and strategic considerations. Short-term financial gain was only a minor factor. It is evident that by November 1996, the two countries had already reached the point of an irreparable divergence of national interests. No matter how hard the ROC diplomats tried to wrestle with the trend of drifting apart, the change of relations was bound to happen. Therefore, despite the ROC's strenuous efforts to save its diplomatic ties with the RSA, the ROC merely delayed the inevitable and prolonged ROC–RSA diplomatic relations for two and a half years. The effects of the ROC's "cheque-book diplomacy" were limited, but its costs were high. According to Nzo's estimation, the cost of the ROC's RDP assistance alone was US\$647 million, excluding other expenditure such as the ROC's US\$10 million donation to the ANC and the cost of the ROC's lobbying campaign.<sup>9</sup> In the end, no amount of financial aid or grants could really persuade the South African government to maintain its diplomatic ties with the ROC, once the RSA had decided that its vital national interests and new foreign policy focus lay with the PRC. Nevertheless, for the

two countries' bilateral long-term interests, both governments were able to exercise their creative powers and use unconventional diplomacy to pursue substantive relations.<sup>10</sup>

## 8.2 EPILOGUE

After the severance of ROC–RSA diplomatic relations, the two countries' relations are conducted on the basis of interest-driven, substantive and pragmatic diplomacy. The political interest that motivated the ROC to render large amounts of financial aid to the RSA no longer exists. Market forces will determine economic relations. Loans will be granted purely on a “commercial rather than political basis” and “there will be no further aid [for the RSA], which is of no benefit to the ROC.”<sup>11</sup>

Although the two governments were flexible enough to devise “Liaison Offices” to replace their respective embassies and consulates-general as from January 1<sup>st</sup>, 1998, the loss of diplomatic ties not only made the improvement of economic relations difficult, but has also left the future ROC–RSA bilateral relationship in a state of uncertainty. Both countries are still searching for a formula to handle future bilateral relations.

The lack of a legal framework and the RSA's self-imposed restriction of contact at the official level are obstacles in the path of the new relationship. By derecognising the ROC, and accepting “One China”, the RSA in effect confirms that the ROC does not exist, and hence all treaties and agreements concluded between the two states are null and void. Soon after the cancellation of ROC–RSA diplomatic relations, Nzo wrote a circular letter to all cabinet ministers and premiers restricting their official visits to the ROC and restricting the access of ROC diplomats to South African governmental departments. It was advised that “no personnel of the respective Taipei Liaison Offices should be invited to the official functions hosted by the South African government” and vice versa.<sup>12</sup> ROC diplomats are restricted to “the level of Director-General for important matters and to [the] functional level for routine matters.”<sup>13</sup>

In the course of South Africa's negotiation for recognition of PRC, the South African government was pressurised by the PRC government to subscribe to its "One China" principle – Taiwan, (the ROC) is but a province of mainland China. In accordance with the Joint Communiqué between the government of the PRC and the government of the RSA on the establishment of diplomatic relations, the government of the RSA recognises that "there is but one China in the world, the government of the People's Republic of China is the sole legal government representing the whole of China and Taiwan is an inalienable part of China."<sup>14</sup> In other words, in normalising its relations with the PRC, the RSA has been forced to accept the PRC's claim that the ROC is non-existent, but merely a part of the PRC. Through the derecognition of the ROC, the RSA may no longer maintain any official relations or conduct any official interactions with the ROC. The South African government functionaries also stick to the "One China" principle and all previously concluded agreements between the ROC and the RSA have been annulled by the RSA.<sup>15</sup>

So far, no arrangement has been made to replace those invalid bilateral agreements and no mechanism has been set up to maintain the long-standing economic ties or to deal with the trade problems. Even the practical economic issues, such as a forum for economic co-operation and an investment guarantee agreement remain unresolved. The trade and economic relations between the ROC and the RSA have been left to take their own course.<sup>16</sup>

Although the two countries' trade and economic ties found their own way to continue, the limbo status of bilateral relations is not conducive to the strengthening of the ROC–RSA economic relationship. This constraint was manifested in the 1996-1998 trade figures. Following the announcement of the impending severance of ROC–RSA diplomatic ties, the ROC–RSA bilateral trade volume gradually decreased. The total of the two-way trade between the ROC and the RSA reduced from USA\$1.87 billion in 1995 to USA\$1.76 billion in 1996, USA\$1.78 billion in 1997 and USA\$1.40 billion in 1998. However, while South Africa's trade with the ROC saw a decline of 9.2% in 1998, and a slight recovery in 1999, the RSA–PRC bilateral trade has expanded rapidly since

1998.<sup>17</sup> This was partly due to the financial meltdown of East Asia in 1997-8 which caused the diminishing of the ROC's demand for South Africa's mineral and natural resources, and partly due to the break-off of ROC-RSA diplomatic ties. From the above analysis, it is clear that the severance of diplomatic ties affected ROC-RSA economic and financial ties, but did not really jeopardise ROC-RSA bilateral trade and economic links, in spite of various obstacles and the shadow of uncertainty.

As regards ROC investments in South Africa, these remained largely unchanged after South Africa's switch of diplomatic recognition from the ROC to the PRC in January 1998. Contrary to some scholars' predictions, the ROC entrepreneurs were not pressured by the ROC government to scale down their businesses nor did they withdraw their investments from South Africa.<sup>18</sup> Despite facing an adverse political and economic climate and the serious crime wave, the ROC companies in South Africa have survived the post-diplomatic crisis. Being a democratic country, the ROC government has not much control over the business community. It is the private sector that does business with the RSA. As most ROC industrialists had put their capital in direct investments, they would not close down their operations and relocate from South Africa to other African countries which maintain diplomatic relations with the ROC. Realising the importance of its economic links with the RSA, the ROC government respected the decisions of the private sector. Therefore, Taipei did not discourage and has never curtailed or pressured ROC companies to cease their economic activities in South Africa. Apart from the fact that most of the ROC enterprises are fixed direct investments, ROC investors chose to remain in the RSA due to the importance of South Africa's location as a springboard to the African continent and beyond, and the RSA's excellent infrastructure, equal legal protection, good education and living environment. According to Kwazulu-Natal Marketing Initiative's (KMI) report, and the author's own survey conducted in 1999, there were 311 ROC factories operating in South Africa during 1999, which is an increase of 31 factories compared to the 1996 census.<sup>19</sup>

The above economic statistics point to the fact that most of the ROC investments in South Africa are direct investments which are difficult to pullout quickly, and that the

ROC remains one of the major investors despite the lack of formal diplomatic ties after 1998. The ROC's direct investments are governed by commercial considerations rather than diplomatic/political objectives. In short, in the immediate post-diplomatic years, the state of the bilateral economic and trade relationship did not change seriously. The trade flow continues without much disruption.

However, in the diplomatic/political spheres, most of the high-level exchange of visits and interactions of the afore-mentioned institutional structures, such as the ROC–RSA Defence Industry Co-operation and the ROC–RSA Ministerial Conference on Economic and Technical Co-operation, have ceased. The same is true of ROC–RSA relations in other spheres. Since the breach of ROC–RSA diplomatic ties, bilateral military, educational/academic, socio-cultural, sport, tourism and aviation links are also in a state of dormancy. The RSA is no longer seen as an important diplomatic ally of the ROC, and vice versa. Both sides have lost interest in the other country and are drifting back to their original reluctance to embrace each other. Both the ROC's and RSA's media lacks interest in the situation of the other country, with the exception of certain dramatic events. For example, the Taiwan's 1999 earthquake and the victory of the DPP in the March 2000 presidential election was fairly widely reported in the South African media, and the RSA's crime situation has received extensive coverage in the ROC media. The cordial bonding that existed between the two countries from the mid-1970s to the early 1990s came to an end in 1998. The two countries have entered into an historical stage of the cooling of state relations as from January 1998.<sup>20</sup>

Our analysis has brought to light the reality that whether or not the ROC will be fully integrated into the international community and see the end of its enforced isolation will largely depend on its cross-Straits relations and a dramatic change of political attitudes and policies in Beijing, Washington and Taipei itself. Currently, ROC–RSA relations are still in transition. In the future, economics and the substantive relationship will supersede the past formal diplomatic ties. At the moment, it is still too early to tell whether the unorthodox approach will work or not. However, given the ROC's resilience and strength, ROC–RSA future relations will not stagnate. There is still room for Taipei

and Pretoria to develop a strong substantive relationship without jeopardising the RSA's strategic relationship with Beijing. Like other countries with substantive relations with the ROC, this will require wisdom, creativity and a flexible balancing act on the RSA's part as well as an understanding of the Taiwanese pathos and spirit of liberty. The people of the RSA should understand that the people of Taiwan are determined to uphold their freedom and democracy, and will not capitulate to the PRC's intimidation. On New Year's Day 2001, the ROC president, Chen Shui-bian, outlined the "Taiwan spirit" as follows:

After it was ceded to Japan in the 1895 Treaty of Shimonoseki, Taiwan entered the 20<sup>th</sup> century frustrated by its inability to control its own destiny. Nevertheless, for over a century, the determination of the people of Taiwan to be their own masters and not capitulate has never changed.... Taiwan is like a "rose that will never be squashed", in the words of the senior Taiwan writer, Yang Kuei. Even in the darkest age of suppression, the people on Taiwan still maintained their pragmatism, diligence and undaunted character.<sup>21</sup>

Therefore, despite the enormous difficulty of the international environment and the PRC's imposition of diplomatic isolation, by adopting flexible "pragmatic diplomacy" to engage with the outside world, the ROC manages to circumvent isolation. With the passage of time, many countries have found that it is to their advantage to "draw upon Taiwan's technical expertise, managerial pool, capital resources, trade, and know-how"<sup>22</sup> David Dean, a senior USA diplomat, commented that "[diplomatic] isolation isn't working very well because of Taiwan's economic strength and other strengths."<sup>23</sup>

In spite of the fact that ROC–RSA relations reached an historical low point during 1998–1999, the RSA Department of Foreign Affairs' East Asia Directorate and the Taipei Liaison Office in Pretoria have both made great efforts to restore some element of trust and confidence between the two sides since then. This has resulted in a slight improvement of the working relations between the two offices. In addition, there has

been a gradual realisation that the ROC, with its economic power and capital, is still relevant to the RSA's national interests and the African Renaissance. There is a need for the RSA to engage the ROC to develop South Africa's economy. At a time when investment and economic development have become the new priorities of the RSA's foreign policy, relations with the ROC are of importance. The African Renaissance is central to the RSA's new foreign policy. Addressing the SAIIA in November 1999, the RSA's Minister of Foreign Affairs, Nkosazana Dlamini-Zuma, stated that "the promotion and attainment of the African Renaissance shall constitute the key-defining goal of all our foreign policy."<sup>24</sup>

To pursue this lofty goal, the ROC is in a position to make a positive contribution to the RSA's economic development. According to Monika Glinzer, a former researcher with the SAIIA and presently an official with the DTI, "there is a great potential to take advantage of Taiwan's potential to train South Africans in areas such as agriculture, land reform, information and SMME development."<sup>25</sup> Glinzer also suggested that, in addition to the already strong presence of Taiwanese textile and clothing companies, the enactment of the USA's Africa Growth and Opportunity Act (AGOA), could "provide an excellent incentive for further Taiwanese investment and hence job creation."<sup>26</sup> Greg Mills is of the same view and indicated that "Taiwan is today one of the world's largest investors, despite its political isolation."<sup>27</sup> Furthermore, Mills believes that "today, Taiwan's investment in South Africa's textile and garment industries may offer parallel development and industrialisation opportunities to the region."<sup>28</sup> Mills concludes that whether Taiwanese and other investors react to these opportunities depends largely on how the governments in the region react.<sup>29</sup>

Due to the above-mentioned factors, the South African government has realised that "South Africa and Taiwan share considerable interests built up over an extended period of time" and that "Taiwan will therefore continue to remain an important economic partner of South Africa."<sup>30</sup> This reality cannot be wished away. Based on this awareness, the RSA's Department of Foreign Affairs has adopted a relatively holistic approach to the greater China region and, since 2000, has identified the ROC as an



important role-player to support the African Renaissance. The Department has not only taken cognisance of the ROC's non-exploitative economic interaction with Africa, but has also taken note of the following opportunities for the RSA's future economic development:

- Taiwan remains a significant contributor of FDI to Africa. FDI from Taiwan governed by commercial considerations rather than political objectives.
- Potential for significant growth in FDI [Foreign Direct Investment] to Africa (especially in labour intensive sectors such as clothing and textiles) as a result of opportunities created by instruments such as the US Africa Growth and Opportunity Act and free trade agreements with (e.g.) the EU.
- The "Taiwan Experience" in the development of an economic base – especially in manufacturing and SMME development – could create a sustainable development model for Africa.
- Keeness on Taiwan's side to provide capacity training for Africa in its own experiences in areas such as land reform, manufacturing industry, management capacity and agricultural development.
- Taiwan has demonstrated its willingness to assist Africa to bridge the technology gap through IT [Information Technology] focused training programmes.
- Imports into Taiwan regulated by commercial considerations (with few tariff and non-tariff barriers as a result of Taiwan's preparations for WTO [World Trade Organization] accession), rather than political intervention, hence the ability to help Africa to compete on a fair basis.
- High levels of affluence create opportunity for increased exports of precious commodities (gold, diamonds, platinum) to Taiwan.<sup>31</sup>

From the above analysis, it is clear that South Africa is at a unique point in its history and the RSA's relations with the ROC are at the crossroads. Will the African Renaissance succeed or fail? Are bilateral relations between the ROC and the RSA going to decline or progress? The answers to these questions will evolve in the coming years. This thesis does not seek to answer these questions. The development and

implications of the post-diplomatic ROC–RSA relationship are pending further scholarly research.<sup>32</sup>

## FOOTNOTES

### CHAPTER VIII

1. See The Star, January 29<sup>th</sup>, 2001, p.9 (Millennium Africa Renaissance Programme); The Citizen, January 29<sup>th</sup>, 2001, p.4 (Mbeki puts his case for south); Sowetan, January 25<sup>th</sup>, 2001, p.16 (Selling African renewal).
2. The RSA Department of Foreign Affairs (DFA), Briefing Document: The People's Republic of China (PRC) and the Republic of China on Taiwan, p.1.
3. DFA, telex to the RSA Embassy in Beijing regarding "PRC: G7 of the South" on June 4<sup>th</sup>, 1999, p.1. See also Li Peng's speech at the special meeting of the RSA National Assembly and the National Council of Provinces on November 18<sup>th</sup>, 1999, pp.2-5.; The Ministerial Declaration of the Group of 77, Midrand, April 28<sup>th</sup>, 1996, p.1; and Corporate Intelligence Review, Vol.7, No.8, 2000, p.35.
4. Shelton, "The Beijing Sino-Africa Forum: Consolidating a New paradigm for China's Africa Policy" in Global Dialogue, Vol.6.1, February 2001, pp.27-28; see also the RSA office of the Presidency, statement by President Mbeki at the banquet in honour of President Jiang Zemin, April 25<sup>th</sup>, 2000, pp.1-2; The Cape Argus, April 26<sup>th</sup>, 2000, (China, SA seek new world order).
5. Mills, "South Africa and the Two Chinas", p.167. See also Le Pere & Van Nieuwkerk, "Making Foreign Policy in South Africa", p.213.
6. T.R.H. Davenport and C. Sauders, South Africa: A Modern History, p.593.
7. Le Pere & Van Nieuwkerk, "Making Foreign Policy in South Africa", p.214.
8. Geldenhuys, "International Involvement in South Africa's Political Transformation" in Carlsnaes & Muller (eds.), Change and South African External Relations, p.35.
9. DFA, Nzo's Remarks for the Discussion with the PRC Delegation, at the Union Buildings, on January 27<sup>th</sup>, 1997, p.2.
10. The Citizen, December 5<sup>th</sup>, 1996, pp.1-2 (Non-diplomatic ties for SA, ROC).
11. Davies, South Africa and Taiwan, p.7.
12. Nzo's circular letter to the RSA cabinet ministers and provincial premiers, January 28<sup>th</sup>, 1998, p.2.
13. *Ibid.*, p.3.
14. Joint Communiqué between the Government of the Republic of South Africa and the Government of the People's Republic of China on the Establishment of Diplomatic Relations, December 30<sup>th</sup>, 1997, p.1.
15. Memorandum of Understanding between the Government of the Republic of South Africa and the Government of the People's Republic of China on the Establishment of Diplomatic Relations, December 30<sup>th</sup>, 1997, p.1, clause 1.
16. *Ibid.*, p.1, clause 3.
17. J. Dlodlu, "Trade with Taiwan drops as China moves in", The Star, January 26<sup>th</sup>, 1999. See also Shelton, "China's Africa Policy and South Africa: Building New Economic Partnerships", in South African Yearbook of International Affairs, 2000/01, October 2000, p.390.
18. See Woods, Ph.D. thesis, p.260. Woods indicates that "should a future South African government withdraw its diplomatic representation from Taiwan and recognise the People's Republic of China, it is most probable that Taiwanese companies would be under great pressure from their government to curtail their operations in South Africa."
19. KwaZulu-Natal Marketing Initiative (KMI), Statistics of Foreign Investment, April 1<sup>st</sup>, 1998 to March 31<sup>st</sup>, 1999. In accordance with KMI's statistics, there were 14 new Taiwanese investment projects, injecting R34.38 million in the KwaZulu-Natal province during the said period. In other provinces, there were 17 new Taiwanese factories. There were, therefore, a total of 31 new Taiwanese factories during this period.
20. TLO Archives, Pretoria: The Summarised Minutes of the Discussion between the RSA Minister of defence, Joe Modise, and the ROC Minister of Foreign Affairs, Janson C. Hu, held at MOFA, Taipei, on July 3<sup>rd</sup>, 1998, p.2. During the discussion, Modise stated that following the cancellation of ROC-RSA diplomatic relations, the long-existing ROC-RSA government relations had been frozen.
21. Chen Shui-bian, Cross-century Remarks on New Year's Day, 2001, p.1.
22. H. Feldman, Constitutional Reform and the Future of the Republic of China, p.62.
23. *Ibid.*



24. See the full text of Minister n. Dlamini-Zuma's speech delivered at the SAIIA, on November 1<sup>st</sup>, 1999, p.5.
25. Glinzer, "Not a Zero-sum Game: SA, Taiwan and China", in SAIIA's Intelligence Update, 24/2000, p.3.
26. Ibid.
27. Mills, "Sowing Investment" in Business Africa, October 2000, p.1.
28. Ibid.
29. Ibid., p.3.
30. DFA, Nzo's Remarks for the Discussion with the PRC Delegation, at the Union Buildings, on January 27<sup>th</sup>, 1997, p.2.
31. DFA, Document regarding the Assessment on the Greater China Region, p.1.
32. See Davies, South Africa and Taiwan, pp.1-13.

**TABLES**

**TABLE 1**

**DISTRIBUTION OF THE ROC DIPLOMATIC MISSIONS ABROAD, JUNE 1988**

Region	Country	Sub-Total
Africa	<ul style="list-style-type: none"> <li>• Malawi</li> <li>• South Africa</li> <li>• Swaziland</li> </ul>	3
Asia	<ul style="list-style-type: none"> <li>• South Korea</li> </ul>	1
Australia and the Pacific	<ul style="list-style-type: none"> <li>• Nauru</li> <li>• Solomon Islands</li> <li>• Tonga</li> <li>• Tuvalu</li> </ul>	4
Caribbean	<ul style="list-style-type: none"> <li>• Bahamas</li> <li>• Commonwealth of Dominica</li> <li>• Haiti</li> <li>• St. Christopher &amp; Nevis</li> <li>• St. Lucia</li> <li>• St. Vincent &amp; Grenadines</li> </ul>	6
Latin America	<ul style="list-style-type: none"> <li>• Costa Rica</li> <li>• Dominican Republic</li> <li>• El Salvador</li> <li>• Guatemala</li> <li>• Honduras</li> <li>• Panama</li> <li>• Paraguay</li> </ul>	7
Middle East	<ul style="list-style-type: none"> <li>• Saudi Arabia</li> </ul>	1
Western Europe	<ul style="list-style-type: none"> <li>• The Holy See (Vatican)</li> </ul>	1
<b>Total</b>	<b>Embassies</b> <b>Consulates-General</b>	<b>23</b> <b>6</b>

Source: MOFA, The ROC's Relations with Other Countries in the World, June 1988.

**TABLE 2**

**DISTRIBUTION OF THE ROC SEMI-OFFICIAL AND UNOFFICIAL REPRESENTATIVE OFFICES, JUNE 1993**

Region	Country	Sub-Total
Africa	<ul style="list-style-type: none"> <li>• Angola</li> <li>• Libya</li> <li>• Madagascar</li> <li>• Mauritius</li> <li>• Nigeria</li> <li>• Zaire</li> </ul>	6
Asia, Australasia and the Middle East	<ul style="list-style-type: none"> <li>• Australia</li> <li>• Bahrain</li> <li>• Brunei</li> <li>• Fiji</li> <li>• (Hong Kong)</li> <li>• Indonesia</li> <li>• Israel</li> <li>• Japan</li> <li>• Jordan</li> <li>• Korea (South)</li> <li>• Kuwait</li> <li>• Malaysia</li> <li>• (Macau)</li> <li>• New Zealand</li> <li>• Oman</li> <li>• Papua New Guinea</li> <li>• Philippines</li> <li>• Saudi Arabia</li> <li>• Singapore</li> <li>• Thailand</li> <li>• Turkey</li> <li>• Vietnam</li> <li>• United Arab Emirates</li> </ul>	21
Europe	<ul style="list-style-type: none"> <li>• Austria</li> <li>• Belgium</li> <li>• Czechoslovakia</li> <li>• Denmark</li> <li>• Finland</li> <li>• France</li> <li>• Germany</li> <li>• Greece</li> <li>• Hungary</li> </ul>	21



	<ul style="list-style-type: none"> <li>• Ireland</li> <li>• Italy</li> <li>• Luxembourg</li> <li>• Netherlands</li> <li>• Norway</li> <li>• Poland</li> <li>• Portugal</li> <li>• Russian Federation</li> <li>• Spain</li> <li>• Sweden</li> <li>• Switzerland</li> <li>• United Kingdom</li> </ul>		
Latin America	<ul style="list-style-type: none"> <li>• Argentina</li> <li>• Bolivia</li> <li>• Brazil</li> <li>• Chile</li> <li>• Columbia</li> <li>• Equador</li> <li>• Peru</li> <li>• Uruguay</li> <li>• Venezuela</li> </ul>	9	
North America	<ul style="list-style-type: none"> <li>• Canada</li> <li>• USA</li> </ul>	2	
<b>TOTAL</b>	<b>Semi-Official/ Relations</b>	<b>Unofficial</b>	<b>59 Countries</b>

Source: MOFA, 駐外代表處職員名錄 (The List of the ROC Representative Offices, 1993)

**TABLE 3**

**THE ROC AMBASSADORS/REPRESENTATIVE TO THE RSA, 1976-1998**

Name		Period
1.	Edward Y. Kuan	1976-1979
2.	H.K. Yang	1979-1989
3.	Steven F. Wang	1989-1990
4.	I-cheng Loh	1990-1997
5.	Du Ling	1998 to date

Source:

1. The Republic of China Yearbook, 1996, pp.504, 536, 573, 585.
2. Interview with Du Ling at 156 Orion Avenue, Pretoria at 13:00 p.m., May 6<sup>th</sup>, 2001.



**TABLE 4**

**THE RSA AMBASSADORS/REPRESENTATIVE TO THE ROC, 1976-1998**

Name		Period
1.	Willem Pretorius	1976-1979
2.	Louis Vorster	1980-1982
3.	P.H. Janse van Vuuren	1982-1986
4.	Chris Prins	1986-1989
5.	Alan M. Harvey	1990-1993
6.	Johan L. Viljoen	1993-1997
7.	• Cornelius van Niekerk Scholtz	1997-June 2001

- Cornelius van Niekerk Scholtz served as RSA Ambassador to the ROC from July 1997 until December 31<sup>st</sup>, 1997. After the change of relations, as of January 1<sup>st</sup>, 2001, his official designation was changed to "Representative."

Source:

1. TLO Archives, Pretoria: 中斐政要互訪卷 (ROC–RSA Exchange of Visits), Vol.4, dispatches No.990, December 12<sup>th</sup>, 1979, pp.1-2 & No.22704, November 1979, pp.1-2; telex No. 582, December 6<sup>th</sup>, 1979, p.1.
2. Interviews held by the author with Ambassador Johan L. Viljoen and Ambassador Chris Prins.

**TABLE 5**

**BILATERAL TRADE BETWEEN THE ROC AND THE RSA, 1973-1977**

(Unit Rand R1,000)

<b>Year</b>	<b>ROC export to RSA</b>	<b>RSA export to ROC</b>	<b>Total</b>
1973	8 125	22 381	30 506
1974	15 394	23 440	38 834
1975	18 978	50 628	69 606
1976	26 964	50 898	77 862
1977	25 226	57 443	82 669

Source: RSA Customs

**TABLE 6**

**BILATERAL TRADE BETWEEN THE ROC AND THE RSA, 1978–1998**

(Unit US\$1,000)

<b>Year</b>	<b>ROC export to RSA</b>	<b>RSA export to ROC</b>	<b>Total</b>
1978	45 166	144 901	190 067
1979	77 268	214 650	291 918
1980	160 831	273 024	433 855
1981	315 707	370 189	685 896
1982	243 481	223 608	467 089
1983	238 129	224 684	462 813
1984	268 785	189 347	458 132
1985	148 923	206 813	355 736
1986	223 311	325 696	549 007
1987	432 428	480 368	912 796
1988	672 755	1 077 008	1 749 763
1989	588 626	869 316	1 457 942
1990	562 169	976 541	1 538 710
1991	700 600	1 027 146	1 727 746
1992	580 800	1 135 700	1 716 500
1993	595 300	1 319 800	1 915 100
1994	711 278	912 425	1 623 703
1995	848 166	1 022 321	1 870 487
1996	814 500	953 540	1 768 040
1997	760 148	1 019 964	1 780 112
1998	647 230	759 463	1 406 693

Source: ROC Customs

**TABLE 7:**

**CATAGORIES OF THE ROC FACTORIES IN THE RSA , 1996**

<b>No.</b>	<b>Categories in the industrial sector</b>	<b>No. of factories</b>
1.	Garment manufacturing	44
2.	Knitted sweaters	44
3.	Other plastic products	23
4.	Shoe manufacturing	22
5.	Electronic and electrical	19
6.	Polypropylene bags	16
7.	Spinning and weaving plants	14
8.	Metal working	12
9.	Furniture and wood processing	8
10.	Plastic and melamine dinnerware	6
11.	Latex gloves	6
12.	Sports and recreational equipment	6
13.	Handbags and travel bags	4
14.	Paper products	4
15.	Cosmetics	4
16.	Moulds and mouldings	4
17.	Automobile parts and accessories	4
18.	Kitchen utensils	4
19.	Food products	4
20.	Gem polishing	3
21.	Kerosene stoves	3
22.	Mineral processing	3
23.	Clocks and watches	3
24.	Miscellaneous	20
<b>TOTAL</b>		<b>280</b>

Source: The 1996 census made by the ROC Embassy in Pretoria, RSA, p.2.



**TABLE 8**

**ROC INVESTMENTS IN THE COMMERCIAL AND SERVICES SECTOR, 1996**

No.	Type of business	No. of companies
1.	Import-export	94
2.	Wholesaler	58
3.	Retailer	48
4.	Food and drinks	47
5.	Real estate development	17
6.	Transport, shipping and customs brokerage	8
7.	Travel service	8
8.	Banking and other services	8
9.	Farming and other agricultural business	6
10.	Sports and recreation	3
11.	Automobile maintenance and repair	3
12.	Miscellaneous	40
<b>TOTAL</b>		<b>340</b>

Source: The 1996 census made by the ROC Embassy in Pretoria, RSA, p.2.

**TABLE 9**

**ROC-RSA INTERGOVERNMENTAL AGREEMENTS PERTAINING TO ACADEMIC, MEDICAL, SCIENTIFIC AND METEOROLOGICAL CO-OPERATION, 1976-1998.**

No.	Agreement
1.	Exchange of Notes between the government of the ROC and the government of the RSA Constituting an Agreement on Scientific and Technological Co-operation (12/03/1980)
2.	Agreement on Scientific Co-operation between the National Science Council (NSC) of the ROC and the Council of Scientific and Industrial Research (CSIR) of the RSA (18/03/1980)
3.	Exchange of notes between the ROC and the RSA Constituting an Agreement on Meteorological Co-operation (04/02/1983)
4.	Exchange Agreement on Scientific Co-operation between the National Science Council of the ROC and the Medical Research Council of the RSA (28/03/1983)
5.	Agreement on Scholarly Co-operation between the National Science Council (NSC) of the ROC and the Human Science Research Council (HSRC) of the RSA (signed on 26/09/1983)
6.	Agreement on Medical Co-operation in Providing Advanced Training for Medical and Nursing Personnel between the ROC and the RSA (12/01/1988)
7.	Agreement between the Government of the ROC and the Government of the RSA on Matters relating to the Co-operation in the Field of Population Development (15/06/1989)
8.	Agreement between the ROC Government and the RSA Government Relating to Cultural Matters (19/06/1989)
9.	Agreement for the Co-operation and Exchange on Science and Technology Information between the Science and Technology Information Centre, NSC of the ROC and the Division of Information Sciences, CSIR of the RSA (24/02/1989)
10.	Agreement of Mutual Recognition of National Measuring Standards



	<b>Memorandum of Agreement made and entered into by and between: Industrial Technology Research Institute (ITRC) of the ROC and the Council for Scientific and Industrial Research (CSIR) of the RSA (04/02/1991)</b>
11.	<b>Bilateral Scientific Exchange Agreement between the National Foundation for Science and Technology (NFST) of the ROC and the Foundation for Research development (FRD) of the RSA (11/07/1991)</b>
12.	<b>Technical Understanding on Mutual Recognition of the National Calibration Services between the Chinese National Laboratory Accreditation of the ROC and the National Calibration Service of the RSA (06/11/1993)</b>
13.	<b>Memorandum of Understanding between the Government of the ROC and the Government of the RSA on Education Support (29/08/1995)</b>

Source: TLO Archives, Pretoria: MOFA's compilation of ROC-RSA Agreements concluded during 1976-1998, attached to telex No. 703, October 27<sup>th</sup>, 1997.

**TABLE 10**

**SISTER RELATIONSHIPS BETWEEN SOUTH AFRICAN UNIVERSITIES AND THEIR ROC COUNTERPARTS, 1976-1998**

No.	Universities
1.	The University of South Africa (UNISA) and the National Open University
2.	The University of Natal and the National Taiwan Ocean University
3.	The University of Pretoria and the National Taiwan University
4.	Stellenbosch University and National Sun Yat-sen University
5.	Medunsa and Kaohsiung Medical College
6.	Potchefstroom University for CHE and Tunghai University
7.	Rand Afrikaans University and National Chengchi University
8.	The University of Orange Free State and the National Taipei Institute of Business
9.	Technikon Pretoria and National Taipei Institute of Technology
10.	Technikon Mangosuthu and National Yunlin Institute Technology
11.	The Department of Physics of the University of Pretoria and Academia Sinica of the ROC.

Source: T. Sono, *From the East: Lessons from Taiwan for South Africa*, pp.74-75; University of Pretoria (UP), *Research and Creative Work*, 1998, Vol.1, Review, p.23; and interview with Dr Dar-sheng Liu, Chief of Cultural Division of the Taipei Liaison Office in Pretoria, held on December 17<sup>th</sup>, 1999.



**TABLE 11**

**LIST OF TWIN CITIES BETWEEN THE ROC AND THE RSA**

No.	Twin cities
1.	Taipei and Pretoria
2.	Taipei and Johannesburg
3.	Keelung and East London
4.	Ilan and Cape Town
5.	Nantou and Kimberley
6.	Hualien and Oudtshoorn
7.	Kaohsiung and Durban
8.	Yungho and Ladysmith
9.	Hsinchu and Bloemfontein

Source: Compilation from relevant records of the ROC–RSA sister cities, kept in TLO Archives Pretoria and Cape Town, respectively.

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